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LEGISLATIVE HISTORY
Public Law 90-537
S. 1004

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INDEX AND SUMMARY OF S. 1004

Jan.	23, 1967	Rep. Aspinall introduced H. R. 3300 which was referred to House Interior and Insular Affairs Committee. Print of bill as introduced.
Feb.	16, 1967	Sen. Hayden introduced and discussed S. 1004 which was referred to Senate Interior and Insular Affairs Committee. Print of bill as introduced.
June	29, 1967	Senate committee ordered S. 1004 reported.
July	27, 1967	Senate committee reported S. 1004 with amendment. Senate Report 408. Print of bill and report.
Aug.	2, 1967	Senate began debate on S. 1004.
Aug.	3, 1967	Senate continued debate on S. 1004.
Aug.	4, 1967	Senate continued debate on S. 1004.
Aug.	7, 1967	Senate passed S. 1004 with amendment.
Aug.	8, 1967	S. 1004 was referred to House Interior and Insular Affairs Committee. Print of bill as referred.
Mar.	1, 1968	House subcommittee approved H. R. 3300 for full committee consideration.
Mar.	26, 1968	House committee voted to report H. R. 3300.
Apr.	24, 1968	House committee reported H. R. 3300 with amendment. House Report 1312. Print of bill and report.
May	7, 1968	Rules Committee reported a resolution for consideration of H. R. 3300. H. Res. 1162. House Report 1360. Print of resolution and report.
May	15, 1968	House began debate on H. R. 3300.
May	16, 1968	House passed S. 1004 with amendment (inserting language of H. R. 3300). H. R. 3300 was tabled due to passage of S. 1004.
July	15, 1968	Senate conferees were appointed.
July	17, 1968	House conferees were appointed.

Aug. 1, 1968 Conferees agreed to file report.
Sept. 4, 1968 House received conference report on S. 1004.
House Report 1861. Print of report.
Sept. 5, 1968 House agreed to conference report.
Sept. 12, 1968 Senate agreed to conference report.
Sept. 30, 1968 Approved: Public Law 90-537.

Hearings: House Interior and Insular Affairs
Committee on H. R. 3300, parts 1 & 2.

DIGEST OF PUBLIC LAW 90-537

COLORADO RIVER BASIN PROJECT ACT. Authorizes construction the of the Central Arizona Project for the purposes of furnishing water and municipal water supplies to the water-deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resource, and enhancement of recreation opportunities. Authorizes the Secretary of the Interior to designate and add to the Fort McDowell Indian Reservation 2,500 acres of suitable lands under his jurisdiction now a part of the Tonto National Forest.

90TH CONGRESS
1ST SESSION

H. R. 3300

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 1967

Mr. ASPINALL introduced the following bill; which was referred to the Committee on Interior and Insular Affairs

A BILL

To authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—COLORADO RIVER BASIN PROJECT:

4 OBJECTIVES

5 SEC. 101. That this Act may be cited as the “Colorado
6 River Basin Project Act”.

7 SEC. 102. The Congress recognizes that the present and
8 growing water shortages in the Colorado River Basin con-
9 stitute urgent problems of national concern, and accordingly
10 authorizes and directs the National Water Commission estab-
11 lished in title II of this Act and the Water Resources Coun-

1 cil, established by the Water Resources Planning Act (Pub-
2 lic Law 89-80), to give highest priority to the preparation
3 of a plan and program for the relief of such shortages, in
4 consultation with the States and Federal entities affected,
5 as provided in this Act. This program is declared to be for
6 the purposes, among others, of regulating the flow of the
7 Colorado River; controlling floods; improving navigation;
8 providing for the storage and delivery of the waters of the
9 Colorado River for reclamation of lands, including supple-
10 mental water supplies, for municipal, industrial, and other
11 beneficial purposes; improving water quality; providing for
12 basic public outdoor recreation facilities; improving condi-
13 tions for fish and wildlife; and the generation and sale of
14 hydroelectric power as an incident of the foregoing purposes.

15 TITLE II—THE NATIONAL WATER COMMISSION;
16 INVESTIGATIONS AND PLANNING

17 SEC. 201. (a) There is established the National Water
18 Commission (hereinafter referred to as the "Commission").

19 (b) The Commission shall be composed of seven mem-
20 bers, who shall be appointed by the President and serve at
21 his pleasure. No member of the Commission shall, during
22 his period of service on the Commission, hold any other
23 position as an officer or employee of the United States,
24 except as a retired officer or retired civilian employee of the
25 United States.

1 (c) The President shall designate the Chairman of the
2 Commission (hereinafter referred to as the "Chairman")
3 from among its members.

4 (d) Members of the Commission may each be compen-
5 sated at the rate of \$100 for each day such member is
6 engaged in the actual performance of duties vested in the
7 Commission. Each member shall be reimbursed for travel
8 expenses, including per diem in lieu of subsistence, as author-
9 ized by law (5 U.S.C. 73b-2) for persons in the Govern-
10 ment service employed intermittently.

11 (e) The Commission shall have an executive director,
12 who shall be appointed by the Chairman with the approval
13 of the President and shall be compensated at the rate pro-
14 vided by law for level IV of the Federal Executive Salary
15 Schedule. The executive director shall have such duties
16 and responsibilities as the Chairman may assign.

17 SEC. 202. (a) The Commission shall (1) review pres-
18 ent and anticipated national water resource problems, mak-
19 ing such projections of water requirements as may be
20 necessary and identifying alternative ways of meeting these
21 requirements—giving consideration, among other things, to
22 conservation and more efficient use of existing supplies, in-
23 creased useability by reduction of pollution, innovations to
24 encourage the highest economic use of water, interbasin
25 transfers, and technological advances including, but not lim-

1 ited to desalting, weather modification and waste water puri-
2 fication and reuse; (2) consider economic and social conse-
3 quences of water resource development, including, for ex-
4 ample, the impact of water resource development on regional
5 economic growth, on institutional arrangements, and on
6 esthetic values affecting the quality of life of the Ameri-
7 can people; (3) advise on such specific water resource
8 matters as may be referred to it by the President and the
9 Water Resources Council established in section 101 of the
10 Water Resources Planning Act (79 Stat. 245) (herein-
11 after referred to as the "Council"); and (4) conduct such
12 specific investigations as are authorized herein or as here-
13 after may be authorized by the Congress.

14 (b) The Commission shall consult with the Council re-
15 garding its studies and shall furnish its proposed reports and
16 recommendations to the Council for review and comment.
17 The Commission shall submit to the President such interim
18 and final reports as it deems appropriate, and the Council
19 shall submit to the President its views on the Commission's
20 reports. The President shall transmit the Commission's final
21 report to the Congress together with such comments and
22 recommendations for legislation as he deems appropriate.

23 (c) The Commission shall terminate not later than six
24 years from the effective date of this Act.

25 SEC. 203. (a) The Commission may (1) hold such

1 hearings, sit and act at such times and places, take such testi-
2 mony, and receive such evidence as it may deem advisable;
3 (2) acquire, furnish, and equip such office space as is nec-
4 essary; (3) use the United States mails in the same manner
5 and upon the same conditions as other departments and
6 agencies of the United States; (4) without regard to the civil
7 service laws and regulations and without regard to the Classi-
8 fication Act of 1949, as amended, employ and fix the compen-
9 sation of such personnel as may be necessary to carry out
10 the functions of the Commission: *Provided*, That of such
11 personnel no more than five persons may receive compensa-
12 tion equivalent to the compensation established for grade 18
13 under the Classification Act of 1949, as amended; (5) pro-
14 cure services as authorized by section 15 of the Act of August
15 2, 1946 (5 U.S.C. 55a), at rates not to exceed \$100 per
16 diem for individuals; (6) purchase, hire, operate, and main-
17 tain passenger motor vehicles; (7) enter into contracts or
18 agreements for studies and surveys with public and private
19 organizations and transfer funds to Federal agencies and
20 river basin commissions created pursuant to title II of the
21 Water Resources Planning Act to carry out such aspects of
22 the Commission's functions as the Commission determines
23 can best be carried out in that manner; and (8) incur such
24 necessary expenses and exercise such other powers as are

1 consistent with and reasonably required to perform its func-
2 tions under this title.

3 (b) Any member of the Commission is authorized to
4 administer oaths when it is determined by a majority of the
5 Commission that testimony shall be taken or evidence re-
6 ceived under oath.

7 SEC. 204. (a) Subject to general policies adopted by
8 the Commission, the Chairman shall be the chief executive of
9 the Commission and shall exercise its executive and admin-
10 istrative powers as set forth in section 203 (a) (2) through
11 section 203 (a) (8) .

12 (b) The Chairman may make such provision as he
13 shall deem appropriate authorizing the performance of any
14 of his executive and administrative functions by the execu-
15 tive director or other personnel of the Commission.

16 SEC. 205. (a) The Commission shall, to the extent
17 practicable, utilize the services of the Federal water resource
18 agencies.

19 (b) Upon request of the Commission, the head of any
20 Federal department or agency or river basin commission
21 created pursuant to title II of the Water Resources Plan-
22 ning Act is authorized (1) to furnish to the Commission, to
23 the extent permitted by law and within the limits of available
24 funds, including funds transferred for that purpose pur-
25 suant to section 203 (a) (7) of this Act, such information as

1 may be necessary for carrying out its functions and as may
2 be available to or procurable by such department or agency,
3 and (2) to detail to temporary duty with this Commission
4 on a reimbursable basis such personnel within his admin-
5 istrative jurisdiction as it may need or believe to be useful
6 for carrying out its functions, each such detail to be with-
7 out loss of seniority, pay, or other employee status.

8 (c) Financial and administrative services (including
9 those related to budgeting, accounting, financial reporting,
10 personnel, and procurement) shall be provided the Com-
11 mission by the General Services Administration, for which
12 payment shall be made in advance, or by reimbursement from
13 funds of the Commission in such amounts as may be agreed
14 upon by the Chairman of the Commission and the Admin-
15 istrator of General Services: *Provided*, That the regulations
16 of the General Services Administration for the collection of
17 indebtedness of personnel resulting from erroneous payments
18 (5 U.S.C. 46e) shall apply to the collection of erroneous
19 payments made to or on behalf of a Commission employee,
20 and regulations of said Administrator for the administra-
21 tive control of funds (31 U.S.C. 665g) shall apply to ap-
22 propriations of the Commission: *And provided further*, That
23 the Commission shall not be required to prescribe such
24 regulations.

25 SEC. 206. (a) The Council, in consultation with the

1 Commission, acting in accordance with the procedure pre-
2 scribed in section 103 of the Water Resources Planning Act,
3 shall within one hundred and twenty days following the effec-
4 tive date of this Act establish principles, standards, and proce-
5 dures for the program of investigations and submittal of
6 plans and reports authorized by this section and section
7 208. The Secretary of the Interior (hereinafter referred to
8 as the "Secretary"), under the direction of the Com-
9 mission, in conformity with the principles, standards, and
10 procedures so established, and in accordance with the
11 authority granted in section 205, is authorized and
12 directed to—

13 (1) prepare estimates of the long-range water sup-
14 ply available for consumptive use in the Colorado River
15 Basin, of current water requirements therein, and of the
16 rate of growth of water requirements therein to at least
17 the year 2030;

18 (2) investigate sources and means of supplying
19 water to meet the current and anticipated water require-
20 ments of the Colorado River Basin, including reductions
21 in losses, importations from sources outside the natural
22 drainage basin of the Colorado River system, desalina-
23 tion, weather modification, and other means;

24 (3) investigate projects within the lower basin of
25 the Colorado River, including projects on tributaries of

1 the Colorado River, where undeveloped water supplies
2 are available or can be made available by replacement
3 or exchange;

4 (4) undertake investigations, in cooperation with
5 other concerned agencies, of the feasibility of proposed
6 development plans in maintaining an adequate water
7 quality throughout the Colorado River Basin;

8 (5) investigate means of providing for prudent
9 water conservation practices to permit maximum bene-
10 ficial utilization of available water supplies in the
11 Colorado River Basin;

12 (6) investigate and prepare estimates of the long-
13 range water supply in States and areas from which water
14 may be imported into the Colorado River system, to-
15 gether with estimates of the probable ultimate require-
16 ments for water within those States and areas of origin,
17 for all purposes, including, but not limited to, consump-
18 tive use, navigation, river regulation, power, enhance-
19 ment of fishery resources, pollution control, and disposal
20 of wastes to the ocean, and estimates of the quantities
21 of water, if any, that will be available in excess of such
22 requirements in the States and areas of origin for ex-
23 portation to the Colorado River system; and

24 (7) investigate current and anticipated water re-

1 quirements of areas outside the natural drainage areas
2 of the Colorado River system which feasibly can be
3 served from importation facilities en route to the
4 Colorado River system.

5 (b) The Secretary is authorized and directed to pre-
6 pare reconnaissance reports of a staged plan or plans for
7 projects adequate, in its judgment, to meet the requirements
8 reported under subsection (a) of this section, in conformity
9 with section 207.

10 (c) The plan for the first stage of works to meet the
11 future requirements of the areas of deficiency and surplus
12 as determined from studies performed pursuant to this sec-
13 tion shall include, but not be limited to, import works neces-
14 sary to provide two million five hundred thousand acre-feet
15 annually for use from the main stream of the Colorado
16 River below Lee Ferry, including satisfaction of the obli-
17 gations of the Mexican Water Treaty and losses of water as-
18 sociated with the performance of that treaty. Plans for im-
19 port works for the first stage may also include facilities to
20 provide water in the following additional quantities:

21 (1) Up to two million acre-feet annually in the
22 Colorado River for use in the Lower Colorado River
23 Basin;

24 (2) Up to two million acre-feet annually in the

1 Colorado River system for use in the Upper Colorado
2 River Basin, directly or by exchange;

3 (3) Such additional quantities, not to exceed two
4 million acre-feet annually, as the Secretary finds may
5 be required and marketable in areas which can be served
6 by said importation facilities en route to the Colorado
7 River system.

8 (d) The Congress declares that the satisfaction of the
9 requirements of the Mexican Water Treaty constitutes a na-
10 tional obligation. Accordingly, the States of the upper di-
11 vision (Colorado, New Mexico, Utah, and Wyoming) and
12 States of the lower division (Arizona, California, and Ne-
13 vada) shall be relieved from all obligations which may have
14 been imposed upon them by article III (c) of the Colorado
15 River Compact when the President issues the proclamation
16 specified in section 305 (b) of this Act.

17 (e) The Secretary shall submit annually to the Com-
18 mission, the President, and the Congress reports covering
19 progress on the investigations and reports authorized by this
20 section.

21 SEC. 207. (a) In planning works to import water into
22 the Colorado River system from sources outside the natural
23 drainage areas of the system, the Secretary shall make pro-
24 vision for adequate and equitable protection of the interests

1 of the States and areas of origin, including (in the case of
2 works to import water for use in the lower basin of the
3 Colorado River) assistance from the development fund estab-
4 lished by title IV of this Act, to the end that water supplies
5 may be available for use therein adequate to satisfy their
6 ultimate requirements at prices to users not adversely affected
7 by the exportation of water to the Colorado River system.

8 (b) All requirements, present or future, for water
9 within any State lying wholly or in part within the drainage
10 area of any river basin and from which water is exported
11 by works planned pursuant to this Act shall have a priority
12 of right in perpetuity to the use of the waters of that river
13 basin, for all purposes, as against the uses of the water
14 delivered by means of such exportation works, unless other-
15 wise provided by interstate agreement.

16 SEC. 208. (a) On or before December 31, 1970, the
17 Secretary shall submit a proposed reconnaissance report on
18 the first stage of the staged plan of development to the Com-
19 mission and affected States and Federal agencies for their
20 comments and recommendations which shall be submitted
21 within six months after receipt of the report.

22 (b) After receipt of the comments of the Commission,
23 affected States, and Federal agencies on such reconnaissance
24 report, but not later than January 1, 1972, the Secretary

1 shall transmit the report to the President and, through the
2 President, to the Congress. All comments received by the
3 Secretary under the procedure specified in this section shall
4 be included therein. The letter of transmittal and its attach-
5 ments shall be printed as a House or Senate document.

6 SEC. 209. There are hereby authorized to be appro-
7 priated such sums as are required to carry out the purposes
8 of this title.

9 TITLE III—AUTHORIZED UNITS: PROTECTION
10 OF EXISTING USES

11 SEC. 301. The Secretary shall construct, operate, and
12 maintain the lower basin units of the Colorado River Basin
13 project (herein referred to as the “project”), described in
14 sections 302, 303, 304, 305, and 306.

15 SEC. 302. The main stream reservoir division shall con-
16 sist of the Hualapai (formerly known as Bridge Canyon)
17 unit, including a dam, reservoir, powerplant, transmission
18 facilities, and appurtenant works, and the Coconino and
19 Paria River silt-detention reservoirs: *Provided*, That (1)
20 Hualapai Dam shall be constructed so as to impound water
21 at a normal surface elevation of one thousand eight hundred
22 and sixty-six feet above mean sea level, (2) fluctuations in
23 the reservoir level shall be restricted, so far as practicable,
24 to a regimen of ten feet, and (3) this Act shall not be
25 construed to authorize any diversion of water from Hualapai

1 Reservoir except for incidental uses in the immediate vicinity.
2 The Congress hereby declares that the construction of the
3 Hualapai Dam herein authorized is consistent with the Act
4 of February 26, 1919 (40 Stat. 1175).

5 SEC. 303. (a) As fair and reasonable payment for the
6 permanent use by the United States of not more than
7 twenty-five thousand acres of land designated by the Secre-
8 tary as necessary for the construction, operation, and mainte-
9 nance of the Hualapai unit, said land being a part of the
10 tract set aside and reserved by the Executive order of
11 January 4, 1883, for the use and occupancy of the Hualapai
12 Tribe of Arizona (1 Kappler, Indian Laws and Treaties,
13 804), \$16,398,000 shall be transferred in the Treasury,
14 during construction of the unit, to the credit of the Hualapai
15 Tribe from funds appropriated from the general fund of the
16 Treasury to the Department of the Interior, Bureau of
17 Reclamation, for construction of the project and, when so
18 transferred, shall draw interest at the rate of 4 per centum
19 per annum until expended. The funds so transferred may
20 be expended, invested, or reinvested pursuant to plans, pro-
21 grams, and agreements duly adopted or entered into by the
22 Hualapai Tribe, subject to the approval of the Secretary, in
23 accordance with the tribal constitution and charter.

24 (b) As part of the construction and operation of the
25 Hualapai unit, the Secretary shall (1) construct a paved

1 road, having a minimum width of twenty-eight feet, from
2 Peach Springs, Arizona, through and along Peach Springs
3 Canyon within the Hualapai Indian Reservation, to provide
4 all-weather access to the Hualapai Reservoir; and (2) make
5 available to the Hualapai Tribe up to twenty-five thousand
6 kilowatts and up to one hundred million kilowatt-hours an-
7 nually of power from the Hualapai unit at the lowest rate
8 established by the Secretary for the sale of firm power from
9 said unit for the use of preferential customers: *Provided*,
10 That the tribe may resell such power only to users within
11 the Hualapai Reservation: *Provided further*, That the Hua-
12 lapai Tribal Council shall notify the Secretary in writ-
13 ing of the reasonable power requirements of the tribe up
14 to the maximum herein specified, for each three-year period
15 in advance beginning with the date upon which power from
16 the Hualapai unit becomes available for sale. Power not
17 so reserved may be disposed of by the Secretary for the
18 benefit of the development fund.

19 (c) Except as to such lands which the Secretary deter-
20 mines are required for the Hualapai Dam and Reservoir
21 site and the construction of the operating campsite and town-
22 site, all minerals of any kind whatsoever, including oil and
23 gas but excluding sand and gravel and other building and
24 construction materials, within the areas used by the United
25 States pursuant to this section are hereby reserved to the

1 Hualapai Tribe: *Provided*, That no permit, license, lease or
2 other document covering the exploration for or the extraction
3 of such minerals shall be granted by the tribe nor shall the
4 tribe conduct such operations for its own account, except
5 under such conditions and with such stipulations as are neces-
6 sary to protect the interests of the United States in the con-
7 struction, operation, and maintenance of the Hualapai unit.

8 (d) The Hualapai Tribe shall have the exclusive right,
9 if requested in writing by the tribe, to develop the recreation
10 potential of, and shall have the exclusive right to control
11 access to, the reservoir shoreline adjacent to the reservation,
12 subject to conditions established by the Secretary for use of
13 the reservoir to protect the operation of the project. Any
14 recreation development established by the tribe shall be con-
15 sistent with the Secretary's rules and regulations to protect
16 the overall recreation development of the project. The tribe
17 and the members thereof shall have nonexclusive personal
18 rights to hunt and fish on the reservoir without charge, but
19 shall have no right to exclude others from the reservoir ex-
20 cept as to those who seek to gain access through the Huala-
21 pai Reservation, nor the right to require payments to the
22 tribe except for the use of tribal lands or facilities: *Provided*,
23 That under no circumstances will the Hualapai Tribe make
24 any charge, or extract any compensation, or in any other
25 manner restrict the access or use of the paved road to be con-

1 structed within the Hualapai Indian Reservation pursuant to
2 this Act. The use by the public of the water areas of the
3 project shall be pursuant to such rules and regulations as the
4 Secretary may prescribe.

5 (e) Except as limited by the foregoing, the Hualapai
6 Tribe shall have the right to use and occupy the area of the
7 Hualapai unit within the Hualapai Reservation for all pur-
8 poses not inconsistent with the construction, operation, and
9 maintenance of the project and townsite, including, but not
10 limited to, the right to lease such lands for farming, grazing,
11 and business purposes to members or nonmembers of the
12 tribe and the power to dispose of all minerals as provided
13 in paragraph (c) hereof.

14 (f) Upon a determination by the Secretary that all or
15 any part of the lands utilized by the United States pursuant
16 to paragraph (a) of this section is no longer necessary for
17 purposes of the project, such lands shall be restored to the
18 Hualapai Tribe for its full use and occupancy.

19 (g) No part of any expenditures made by the United
20 States, and no reservation by or restoration to the Hualapai
21 Tribe of the use of land under any of the provisions of this
22 section shall be charged by the United States as an offset or
23 counterclaim against any claim of the Hualapai Tribe against
24 the United States other than claims arising out of the utiliza-

1 tion of lands for the project: *Provided, however,* That the
2 payment of moneys and other benefits as set forth herein
3 shall constitute full, fair, and reasonable payment for the
4 permanent use of the lands by the United States.

5 (h) All funds authorized by this section to be paid or
6 transferred to the Hualapai Tribe, and any per capita dis-
7 tribution derived therefrom, shall be exempt from all forms
8 of State and Federal income taxes.

9 (i) No payments shall be made or benefits conferred
10 as set forth in this section until the provisions hereof have
11 been accepted by the Hualapai Tribe through a resolution
12 duly adopted by its tribal council. In the event such resolu-
13 tion is not adopted within six months from the effective date
14 of this Act, and litigation thereafter is instituted regarding the
15 use by the United States of lands within the Hualapai Res-
16 ervation or payment therefor, the amounts of the payments
17 provided herein and the other benefits set out shall not be
18 regarded as evidencing value or as recognizing any right of
19 the tribe to compensation.

20 SEC. 304. (a) The Central Arizona unit shall consist
21 of the following principal works: (1) a system of main con-
22 duits and canals, including a main canal and pumping
23 plants (Granite Reef aqueduct and pumping plants), for
24 diverting and carrying water from Lake Havasu to Orme
25 Dam or suitable alternative, which system shall have a

1 capacity of two thousand five hundred cubic feet per second
2 (A) unless the definite plan report of the Bureau of Recla-
3 mation shows that additional capacity (i) will provide an
4 improved benefit-to-cost ratio and (ii) will enhance the abil-
5 ity of the Central Arizona unit to divert water from the
6 main stream to which Arizona is entitled and (B) unless the
7 Secretary finds that the additional cost resulting from such
8 additional capacity can be financed by funds from sources
9 other than the funds credited to the development fund pur-
10 suant to section 403 of this Act and without charge, directly
11 or indirectly, to water users or power customers in the States
12 of California and Nevada; (2) Orme Dam and Reservoir
13 and power-pumping plant or suitable alternative; (3) Buttes
14 Dam and Reservoir, which shall be so operated as to not
15 prejudice the rights of any user in and to the waters of the
16 Gila River as those rights are set forth in the decree entered
17 by the United States District Court for the District of Ari-
18 zona on June 29, 1935, in United States against Gila Val-
19 ley Irrigation District and others (Globe Equity Number
20 59); (4) Hooker Dam and Reservoir, which shall be con-
21 structed to an initial capacity of ninety-eight thousand acre-
22 feet and in such a manner as to permit subsequent enlarge-
23 ment of the structure (to give effect to the provisions of
24 section 304 (c) and (d)); (5) Charleston Dam and Reser-
25 voir; (6) Tucson aqueducts and pumping plants; (7) Salt-

1 Gila aqueduct; (8) canals, regulating facilities, powerplants,
2 and electrical transmission facilities; (9) related water dis-
3 tribution and drainage works; and (10) appurtenant works.

4 (b) Unless and until otherwise provided by Congress,
5 water from the natural drainage area of the Colorado River
6 system diverted from the main stream below Lee Ferry for
7 the Central Arizona unit shall not be made available di-
8 rectly or indirectly for the irrigation of lands not having
9 a recent irrigation history as determined by the Secretary,
10 except in the case of Indian lands, national wildlife refuges,
11 and, with the approval of the Secretary, State-administered
12 wildlife management areas. It shall be a condition of each
13 contract under which such water is provided under the
14 Central Arizona unit that (1) there be in effect measures,
15 adequate in the judgment of the Secretary, to control ex-
16 pansion of irrigation from aquifers affected by irrigation
17 in the contract service area; (2) the canals and distribution
18 systems through which water is conveyed after its delivery
19 by the United States to the contractors shall be provided
20 and maintained with linings, adequate in his judgment to
21 prevent excessive conveyance losses; (3) neither the con-
22 tractor nor the Secretary shall pump or permit others to
23 pump ground water from lands located within the exterior
24 boundaries of any Federal reclamation project or irrigation
25 district receiving water from the Central Arizona unit for

1 any use outside such Federal reclamation project or irriga-
2 tion district, unless the Secretary and the agency or orga-
3 nization operating and maintaining such Federal reclamation
4 project or irrigation district shall agree or shall have pre-
5 viously agreed that a surplus of ground water exists and
6 that drainage is or was required; and (4) all agricultural,
7 municipal and industrial waste water, return flow, seepage,
8 sewage effluent and ground water located in or flowing from
9 contractor's service area originating or resulting from (i)
10 waters contracted for from the Central Arizona unit or
11 (ii) waters stored or developed by any Federal reclamation
12 project are reserved for the use and benefit of the United
13 States as a source of supply for the service area of the
14 Central Arizona unit or for the service area of the Federal
15 reclamation project, as the case may be: *Provided*, That not-
16 withstanding the provisions of clause (3) of this sentence,
17 the agricultural, municipal and industrial waste water, return
18 flow, seepage, sewage effluent and ground water in or from
19 any such Federal reclamation project, may also be pumped
20 or diverted for use and delivery by the United States else-
21 where in the service area of the Central Arizona unit, if not
22 needed for use or reuse in such Federal reclamation project.

23 (c) The Secretary may require as a condition in any
24 contract under which water is provided from the Central

1 Arizona unit that the contractor agree to accept main stream
2 water in exchange for or in replacement of existing supplies
3 from sources other than the main stream. The Secretary
4 shall so require in contracts with such contractors in Arizona
5 who also use water from the Gila River system, to the extent
6 necessary to make available to users of water from the
7 Gila River system in New Mexico additional quantities of
8 water as provided in and under the conditions specified in
9 subsections (e) and (f) of this section: *Provided, That*
10 such exchanges and replacements shall be accomplished with-
11 out economic injury or cost to such Arizona contractors.

12 (d) In times of shortage or reduction of main stream
13 water for the Central Arizona unit (if such shortages or
14 reductions should occur), contractors which have yielded
15 water from other sources in exchange for main stream water
16 supplied by that unit shall have a first priority to receive
17 main stream water, as against other contractors supplied
18 by that unit which have not so yielded water from other
19 sources, but only in quantities adequate to replace the water
20 so yielded.

21 (e) In the operation of the Central Arizona unit, the
22 Secretary shall offer to contract with water users in New
23 Mexico for water from the Gila River, its tributaries and
24 underground water sources, in amounts that will permit con-
25 sumptive use of water in New Mexico not to exceed an annual

1 average in any period of ten consecutive years of eighteen
2 thousand acre-feet, including reservoir evaporation, over and
3 above the consumptive uses provided for by article IV of the
4 decree of the Supreme Court of the United States in Ari-
5 zona against California (376 U.S. 340). Such increased
6 consumptive uses shall not begin until and shall continue only
7 so long as delivery of Colorado River water to downstream
8 Gila River users in Arizona is being accomplished in accord-
9 ance with this Act, in quantities sufficient to replace any
10 diminution of their supply resulting from such diversions from
11 the Gila River, its tributaries and underground water sources.
12 In determining the amount required for this purpose full
13 consideration shall be given to any differences in the quality
14 of the waters involved.

15 (f) The Secretary shall further offer to contract with
16 water users in New Mexico for water from the Gila River, its
17 tributaries and underground water sources in amounts that
18 will permit consumptive uses of water in New Mexico not to
19 exceed an annual average in any period of ten consecutive
20 years of an additional thirty thousand acre-feet, including
21 reservoir evaporation. Such further increases in consumptive
22 use shall not begin until and shall continue only so long as
23 works capable of importing water into the Colorado River
24 system have been completed and water sufficiently in excess
25 of two million eight hundred thousand acre-feet per annum

1 is available from the main stream of the Colorado River for
2 consumptive use in Arizona to provide water for the ex-
3 changes herein authorized and provided. In determining the
4 amount required for this purpose full consideration shall be
5 given to any differences in the quality of the waters involved.

6 (g) All additional consumptive uses provided for in sub-
7 sections (e) and (f) of this section shall be subject to all
8 rights in New Mexico and Arizona as established by the de-
9 cree entered by the United States District Court for the Dis-
10 trict of Arizona on June 29, 1935, in United States against
11 Gila Valley Irrigation District and others (Globe Equity
12 Number 59) and to all other rights existing on the effective
13 date of this Act in New Mexico and Arizona to water from
14 the Gila River, its tributaries and underground water sources,
15 and shall be junior thereto and shall be made only to the
16 extent possible without economic injury or cost to the holders
17 of such rights.

18 SEC. 305. (a) Article II (B) (3) of the decree of the
19 Supreme Court of the United States in Arizona against Cali-
20 fornia (376 U.S. 340) shall be so administered that in any
21 year in which, as determined by the Secretary, there is insuf-
22 ficient main stream Colorado River water available for re-
23 lease to satisfy annual consumptive use of seven million five
24 hundred thousand acre-feet in Arizona, California, and
25 Nevada, diversions from the main stream for the Central

1 Arizona unit shall be so limited as to assure the availability
2 of water in quantities sufficient to provide for the aggregate
3 annual consumptive use by holders of present perfected
4 rights, by other users in the State of California served under
5 existing contracts with the United States by diversion works
6 heretofore constructed and by other existing Federal reserva-
7 tions in that State, of four million four hundred thousand
8 acre-feet of main stream water, and by users of the same
9 character in Arizona and Nevada. Water users in the State
10 of Nevada shall not be required to bear shortages in any pro-
11 portion greater than would have been imposed in the absence
12 of this section 305 (a). This section shall not affect the
13 relative priorities, among themselves, of water users in Ari-
14 zona, Nevada, and California which are senior to diversions
15 for the Central Arizona unit, or amend any provisions of
16 said decree.

17 (b) The limitation stated in paragraph (a) shall cease
18 whenever the President shall proclaim that works have been
19 completed and are in operation, capable in his judgment of
20 delivering annually not less than two million five hundred
21 thousand acre-feet of water into the main stream of the Colo-
22 rado River below Lee Ferry from sources outside the natural
23 drainage area of the Colorado River system; and that such
24 sources are adequate, in the President's judgment, to supply

1 such quantities without adverse effect upon the satisfaction
2 of the foreseeable water requirements of any State from
3 which such water is imported into the Colorado River sys-
4 tem. Such imported water shall be made available for use
5 in accordance with subsection (c) of this section.

6 (c) To the extent that the flow of the main stream of
7 the Colorado River is augmented by such importations in
8 order to make sufficient water available for release, as deter-
9 mined by the Secretary pursuant to article II (B) (1) of the
10 decree of the Supreme Court of the United States in Arizona
11 against California (376 U.S. 340), to satisfy annual con-
12 sumptive use of two million eight hundred thousand acre-feet
13 in Arizona, four million four hundred thousand acre-feet in
14 California, and three hundred thousand acre-feet in Nevada,
15 respectively, the Secretary shall make such additional water
16 available to users of main stream water in those States at the
17 same costs and on the same terms as would be applicable
18 if main stream water were available for release in the quan-
19 tities required to supply such consumptive use, taking into
20 account, among other things, (1) the nonreimbursable allo-
21 cation to the replenishment of the deficiencies occasioned by
22 satisfaction of the Mexican Treaty burden provided for in
23 section 401, and (2) such assistance as may be available
24 from the development fund established by title IV of this
25 Act.

1 (d) Imported water made available for use in the lower
2 basin to supply aggregate annual consumptive uses from
3 the main stream in excess of seven million five hundred
4 thousand acre-feet shall be offered by the Secretary for
5 use in the States of Arizona, California, and Nevada in
6 the proportions provided in article II (B) (2) of said
7 decree. The Secretary shall establish prices therefor which
8 take into account such assistance as may be available
9 from the development fund established by title IV of this Act
10 in excess of the demands upon that fund occasioned by the
11 requirements stated in subsection (c) of this section. With-
12 in each State, opportunity to take such water shall first be
13 offered to persons or entities who are water users as of the
14 effective date of this Act, and in quantities equal to the defi-
15 ciencies which would result if the total quantity available for
16 consumptive use from the main stream in such State were
17 only the quantity apportioned to that State by article II (B)
18 (1) of said decree.

19 (e) Imported water made available for use in the upper
20 basin of the Colorado River, directly or by exchange, shall
21 be offered by the Secretary for contract by water users in
22 the States of Colorado, New Mexico, Utah, and Wyoming in
23 the proportions, as among those States, stated in the Upper
24 Colorado River Basin Compact, and at prices which take into
25 account such assistance as may be available from the Upper

1 Colorado River Basin Fund, in excess of the demands upon
2 that fund occasioned by the requirements of the Colorado
3 River Storage Project Act.

4 (f) Imported water not delivered into the Colorado
5 River system but diverted from the works constructed to
6 import water into that system shall be made available to
7 water users in accordance with the Federal reclamation laws.

8 SEC. 306. The main stream salvage unit shall include
9 programs for water salvage along and adjacent to the main
10 stream of the Colorado River and for ground water recovery.
11 Such programs shall be consistent with maintenance of a
12 reasonable degree of undisturbed habitat for fish and wildlife
13 in the area, as determined by the Secretary.

14 SEC. 307. The Secretary shall construct, operate, and
15 maintain such additional works as shall from time to time
16 be authorized by the Congress as units of the project.

17 SEC. 308. The conservation and development of the
18 fish and wildlife resources and the enhancement of recrea-
19 tion opportunities in connection with the project works
20 authorized pursuant to this title shall be in accordance
21 with the provisions of the Federal Water Project Recreation
22 Act (79 Stat. 213).

23 SEC. 309. The Secretary shall integrate the Dixie proj-
24 ect and Southern Nevada water supply project heretofore
25 authorized into the project herein authorized as units thereof

1 under repayment arrangements and participation in the
2 development fund established by title IV of this Act con-
3 sistent with the provisions of this Act.

4 SEC. 310. There is hereby authorized to be appropriated
5 to carry out the purposes of this title the sum of \$1,167,000,-
6 000 based on estimated costs as of October, 1963, plus
7 or minus such amounts, if any, as may be justified by reason
8 of ordinary fluctuations in construction costs as indicated
9 by engineering cost indices applicable to the types of con-
10 struction involved.

11 TITLE IV—LOWER COLORADO RIVER BASIN DE-
12 VELOPMENT FUND: ALLOCATION AND RE-
13 PAYMENT OF COSTS: CONTRACTS

14 SEC. 401. Upon completion of each lower basin unit
15 of the project herein or hereafter authorized, or separate
16 feature thereof, the Secretary shall allocate the total costs of
17 constructing said unit or features to (1) commercial power,
18 (2) irrigation, (3) municipal and industrial water supply,
19 (4) flood control, (5) navigation, (6) water quality con-
20 trol, (7) recreation, (8) fish and wildlife, (9) the replen-
21 ishment of the depletion of Colorado River flows available
22 for use in the United States occasioned by performance of the
23 Water Treaty of 1944 with the United Mexican States
24 (treaty series 994), (10) the additional capacity of the
25 system of main conduits and canals of the Central Arizona

1 unit referred to in section 304 (a), item (1), in excess of
2 two thousand five hundred cubic feet per second, and (11)
3 any other purposes authorized under the Federal reclamation
4 laws. Costs of construction, operation, and maintenance
5 allocated to the replenishment of the depletion of Colorado
6 River flows available for use in the United States occasioned
7 by compliance with the Mexican Water Treaty (including
8 losses in transit, evaporation from regulatory reservoirs, and
9 regulatory losses at the Mexican boundary, incurred in the
10 transportation, storage, and delivery of water in discharge
11 of the obligations of that treaty) shall be nonreimbursable.
12 All funds paid or transferred to Indian tribes pursuant to
13 this Act, including interest on such funds in the Treasury
14 of the United States, and costs of construction of the paved
15 road, authorized in section 303 (b) hereof, shall be non-
16 reimbursable. The repayment of costs allocated to recreation
17 and fish and wildlife enhancement shall be in accordance
18 with the provisions of the Federal Water Project Recreation
19 Act (79 Stat. 213). Costs allocated to nonreimbursable pur-
20 poses shall be nonreturnable under the provisions of this Act.
21 Costs allocated to the additional capacity of the system of
22 main conduits and canals of the Central Arizona unit, re-
23 ferred to in section 304 (a), item (1), in excess of two
24 thousand five hundred cubic feet per second shall be re-
25 covered as directed in section 304 (a).

1 SEC. 402. The Secretary shall determine the repayment
2 capability of Indian lands within, under, or served by any
3 unit of the project. Construction costs allocated to irriga-
4 tion of Indian lands (including provision of water for in-
5 cidental domestic and stock water uses) and within the re-
6 payment capability of such lands shall be subject to the Act
7 of July 1, 1932 (47 Stat. 464), and such costs as are be-
8 yond repayment capability of such lands shall be nonreim-
9 bursable.

10 SEC. 403. (a) There is hereby established a separate
11 fund in the Treasury of the United States, to be known as the
12 Lower Colorado River Basin development fund (hereinafter
13 called the "development fund"), which shall remain avail-
14 able until expended as hereafter provided for carrying out
15 the provisions of title III.

16 (b) All appropriations made for the purpose of carry-
17 ing out the aforesaid provisions of title III of this Act shall
18 be credited to the development fund as advances from the
19 general fund of the Treasury, and shall be available for such
20 purpose.

21 (c) There shall also be credited to the development
22 fund—

23 (1) All revenues collected in connection with the
24 operation of facilities herein and hereafter authorized
25 in furtherance of the purposes of this Act (except en-

1 trance, admission, and other recreation fees or charges
2 and proceeds received from recreation concessionaires) ;
3 and

4 (2) all Federal revenues from the Boulder Canyon
5 and Parker-Davis projects which, after completion of re-
6 payment requirements of the said Boulder Canyon and
7 Parker-Davis projects, are surplus, as determined by the
8 Secretary, to the operation, maintenance, and replace-
9 ment requirements of those projects.

10 (d) All revenues collected and credited to the develop-
11 ment fund pursuant to this Act shall be available, without
12 further appropriation, for—

13 (1) defraying the costs of operation, maintenance,
14 and replacements of, and emergency expenditures for,
15 all facilities of the project, within such separate limita-
16 tions as may be included in annual appropriation Acts;

17 (2) payments, if any, as required by section 502
18 of this Act;

19 (3) payments as required by subsection (f) of this
20 section; and

21 (4) payments to reimburse water users in the State
22 of Arizona for losses sustained as a result of diminu-
23 tion of the production of hydroelectric power at Coolidge
24 Dam, Arizona, resulting from exchanges of water be-

1 tween users in the States of Arizona and New Mexico
2 as set forth in section 304 of this Act.

3 (e) Revenues credited to the development fund shall
4 not be available for construction of the works comprised
5 within any unit of the project herein or hereafter authorized
6 except upon appropriation by the Congress.

7 (f) Revenues in the development fund in excess of the
8 amount necessary to meet the requirements of clauses (1),
9 (2), and (4) of subsection (d) of this section shall be paid
10 annually to the general fund of the Treasury to return—

11 (1) the costs of each unit of the project or separable
12 feature thereof, authorized pursuant to title III of this
13 Act which are allocated to irrigation, commercial power,
14 or municipal and industrial water supply, pursuant to
15 this Act, within a period not exceeding fifty years
16 from the date of completion of each such unit or
17 separable feature, exclusive of any development period
18 authorized by law;

19 (2) the costs which are allocated to recreation or
20 fish and wildlife enhancement in accordance with the
21 provisions of the Federal Water Project Recreation Act
22 (79 Stat. 213) ; and

23 (3) interest (including interest during construction)
24 on the unamortized balance of the investment in the com-

1 commercial power and municipal and industrial water sup-
2 ply features of the project at a rate determined by the
3 Secretary of the Treasury in accordance with the provi-
4 sions of subsection (h) of this section, and interest due
5 shall be a first charge.

6 (g) To the extent that revenues remain in the develop-
7 ment fund after making the payments required by subsections
8 (d) and (f) of this section, they shall be available, upon
9 appropriation by the Congress, to repay the costs incurred in
10 connection with units hereafter authorized in providing (i)
11 for the importation of water into the main stream of the Colo-
12 rado River for use below Lee Ferry as provided in section
13 206 (c) to the extent that such costs are in excess of the costs
14 allocated to the replenishment of the depletion of Colorado
15 River flows available for use in the United States occasioned
16 by performance of the Mexican Water Treaty as provided
17 in section 401, and (ii) protection of States and areas of
18 origin of such imported water as provided in section 207 (a) .

19 (h) The interest rate applicable to those portions of the
20 reimbursable costs of each unit of the project which are
21 properly allocated to commercial power development and
22 municipal and industrial water supply shall be determined
23 by the Secretary of the Treasury, as of the beginning of the
24 fiscal year in which the first advance is made for initiating
25 construction of such unit, on the basis of the computed aver-

1 age interest rate payable by the Treasury upon its outstand-
2 ing marketable public obligations which are neither due nor
3 callable for redemption for fifteen years from the date of
4 issue.

5 (i) Business-type budgets shall be submitted to the
6 Congress annually for all operations financed by the devel-
7 opment fund.

8 SEC. 404. (a) Irrigation repayment contracts shall pro-
9 vide for repayment of the obligation assumed under any irri-
10 gation repayment contract with respect to any project con-
11 tract unit or irrigation block over a basic period of not more
12 than fifty years exclusive of any development periods author-
13 ized by law; contracts authorized by section 9 (e) of the
14 Reclamation Project Act of 1939 (53 Stat. 1196; 43 U.S.C.
15 485h (e)) may provide for delivery of water for a period of
16 fifty years and for the delivery of such water at an identical
17 price per acre-foot for water of the same class at the several
18 points of delivery from the main canals and conduits and
19 from such other points of delivery as the Secretary may des-
20 ignate; and long-term contracts relating to irrigation water
21 supply shall provide that water made available thereunder
22 may be made available by the Secretary for municipal or
23 industrial purposes if and to the extent that such water is not
24 required by the contractor for irrigation purposes.

25 (b) Contracts relating to municipal and industrial water

1 supply from the project may be made without regard to the
2 limitations of the last sentence of section 9 (c) of the Reclama-
3 tion Project Act of 1939 (53 Stat. 1194) ; may provide for
4 the delivery of such water at an identical price per acre-foot
5 for water of the same class at the several points of delivery
6 from the main canals and conduits; and may provide for
7 repayment over a period of fifty years if made pursuant to
8 clause (1) of said section and for the delivery of water over
9 a period of fifty years if made pursuant to clause (2)
10 thereof.

11 SEC. 405. On January 1 of each year the Secretary
12 shall report to the Congress, beginning with the fiscal year
13 ending June 30, 1968, upon the status of the revenues from
14 and the cost of constructing, operating, and maintaining the
15 project and each unit thereof for the preceding fiscal year.
16 The report of the Secretary shall be prepared to reflect
17 accurately the Federal investment allocated at that time to
18 power, to irrigation, and to other purposes, the progress of
19 return and repayment thereon, and the estimated rate of
20 progress, year by year, in accomplishing full repayment.

21 TITLE V—UPPER COLORADO RIVER BASIN
22 AUTHORIZATIONS AND REIMBURSEMENTS

23 SEC. 501. (a) In order to provide for the construction,
24 operation, and maintenance of the Animas-La Plata Fed-
25 eral reclamation project, Colorado-New Mexico; the Dolores,

1 Dallas Creek, West Divide, and San Miguel Federal recla-
2 mation projects, Colorado, as participating projects under
3 the Colorado River Storage Project Act (70 Stat. 105; 43
4 U.S.C 620), and to provide for the completion of planning
5 reports on other participating projects, subsection (2) of
6 section 1 of said Act is hereby further amended by deleting
7 the words "Pine River extension", and inserting in lieu
8 thereof the words "Animas-La Plata, Dolores, Dallas Creek,
9 West Divide, San Miguel". Section 2 of said Act is hereby
10 further amended by deleting the words "Parshall, Trouble-
11 some, Rabbit Ear, San Miguel, West Divide, Tomichi Creek,
12 East River, Ohio Creek, Dallas Creek, Dolores, Fruit
13 Growers extension, Animas-La Plata", and inserting after
14 the words "Yellow Jacket" the words "Basalt, Middle Park
15 (including the Troublesome, Rabbit Ear, and Azure units),
16 Upper Gunnison (including the East River, Ohio Creek, and
17 Tomichi Creek units), Lower Yampa (including the Juniper
18 and Great Northern units), Upper Yampa (including the
19 Hayden Mesa, Wessels, and Toponas units)", and by insert-
20 ing after the word "Sublette" the words "(including the
21 Kendall Reservoir on Green River and a diversion of water
22 from the Green River to the North Platte River Basin in
23 Wyoming), Uintah unit and Ute Indian unit of the Central
24 Utah, San Juan County (Utah), Price River, Grand

1 County (Utah), Ute Indian unit extension of the Central
2 Utah, Gray Canyon, and Juniper (Utah)". The amount
3 which section 12 of said Act authorizes to be appropriated
4 is hereby further increased by the sum of \$360,000,000 plus
5 or minus such amounts, if any, as may be required, by
6 reason of changes in construction costs as indicated by engi-
7 neering cost indexes applicable to the type of construction
8 involved. This additional sum shall be available solely for
9 the construction of the projects herein authorized.

10 (b) The Animas-La Plata Federal reclamation project
11 shall be constructed and operated in substantial accordance
12 with the engineering plans set out in the report of the Secre-
13 tary transmitted to the Congress on May 4, 1966, and print-
14 ed as House Document 436, Eighty-ninth Congress: *Pro-*
15 *vided*, That the project construction of the Animas-La Plata
16 Federal reclamation project shall not be undertaken until and
17 unless the States of Colorado and New Mexico shall have
18 ratified the following compact to which the consent of Con-
19 gress is hereby given:

20 "ANIMAS-LA PLATA PROJECT COMPACT

21 "The State of Colorado and the State of New Mexico,
22 in order to implement the operation of the Animas-La Plata
23 Federal Reclamation Project, Colorado-New Mexico, a pro-
24 posed participating project under the Colorado River Stor-
25 age Project Act (70 Stat. 105), and being moved by con-

1 siderations of interstate comity, have resolved to conclude a
2 compact for these purposes and have agreed upon the follow-
3 ing articles:

4 "ARTICLE I

5 "A. The right to store and divert water in Colorado
6 and New Mexico from the La Plata and Animas River sys-
7 tems, including return flow to the La Plata River from
8 Animas River diversions, for uses in New Mexico under the
9 Animas-La Plata Federal Reclamation Project shall be
10 valid and of equal priority with those rights granted by
11 decree of the Colorado state courts for the uses of water in
12 Colorado for that project, providing such uses in New Mexico
13 are within the allocation of water made to that state by
14 articles III and XIV of the Upper Colorado River Basin
15 Compact (63 Stat. 31).

16 "B. The restrictions of the last sentence of Section (a)
17 of Article IX of the Upper Colorado River Basin Compact
18 shall not be construed to vitiate paragraph A of this article.

19 "ARTICLE II

20 "This Compact shall become binding and obligatory
21 when it shall have been ratified by the legislatures of each
22 of the signatory States."

23 (c) The Secretary shall, for the Animas-La Plata,
24 Dolores, Dallas Creek, San Miguel, West Divide, and Seed-
25 skadee participating projects of the Colorado River storage

1 project, establish the nonexcess irrigable acreage for which
2 any single ownership may receive project water at one hun-
3 dred and sixty acres of class 1 land or the equivalent
4 thereof, as determined by the Secretary, in other land classes.

5 (d) In the diversion and storage of water for any project
6 or any parts thereof constructed under the authority of this
7 Act or the Colorado River Storage Project Act within and
8 for the benefit of the State of Colorado only, the Secretary
9 is directed to comply with the constitution and statutes of the
10 State of Colorado relating to priority of appropriation; with
11 State and Federal court decrees entered pursuant thereto;
12 and with operating principles, if any, adopted by the Secre-
13 tary and approved by the State of Colorado.

14 (e) The words "any western slope appropriations"
15 contained in paragraph (i) of that section of Senate Doc-
16 ument Numbered 80, Seventy-fifth Congress, first session,
17 entitled "Manner of Operation of Project Facilities and Aux-
18 iliary Features," shall mean and refer to the appropriation
19 heretofore made for the storage of water in Green Mountain
20 Reservoir, a unit of the Colorado-Big Thompson Federal
21 reclamation project, Colorado; and the Secretary is directed
22 to act in accordance with such meaning and reference. It is
23 the sense of Congress that this directive defines and observes
24 the purpose of said paragraph (i), and does not in any

1 way affect or alter any rights or obligations arising under
2 said Senate Document Numbered 80 or under the laws of
3 the State of Colorado.

4 SEC. 502. The Upper Colorado River Basin fund es-
5 tablished under section 5 of the Act of April 11, 1956 (70
6 Stat. 107), shall be reimbursed from the Colorado River
7 development fund established by section 2 of the Boulder
8 Canyon Project Adjustment Act (54 Stat. 755), for all
9 expenditures heretofore or hereafter made from the Upper
10 Colorado River Basin fund to meet deficiencies in generation
11 at Hoover Dam during the filling period of reservoirs of
12 storage units of the Colorado River storage project pursuant
13 to the criteria for the filling of Glen Canyon Reservoir (27
14 Fed. Reg. 6851, July 19, 1962). For this purpose \$500,-
15 000 for each year of operation of Hoover Dam and power-
16 plant, commencing with the enactment of this Act, shall be
17 transferred from the Colorado River development fund to
18 the Upper Colorado River Basin fund, in lieu of applica-
19 tion of said amounts to the purposes stated in section 2 (d)
20 of the Boulder Canyon Project Adjustment Act, until such
21 reimbursement is accomplished. To the extent that any de-
22 ficiency in such reimbursement remains as of June 1, 1987,
23 the amount of the remaining deficiency shall then be trans-
24 ferred to the Upper Colorado River Basin fund from the

1 Lower Colorado River Basin development fund, as provided
2 in paragraph (d) of section 403.

3 TITLE VI—GENERAL PROVISIONS: DEFINI-
4 TIONS: CONDITIONS

5 SEC. 601. (a) Nothing in this Act shall be construed
6 to alter, amend, repeal, modify, or be in conflict with the
7 provisions of the Colorado River Compact (45 Stat. 1057),
8 the Upper Colorado River Basin Compact (63 Stat. 31),
9 the Water Treaty of 1944 with the United Mexican States
10 (Treaty Series 994), the decree entered by the Supreme
11 Court of the United States in Arizona against California,
12 and others (376 U.S. 340), or, except as otherwise pro-
13 vided herein, the Boulder Canyon Project Act (45 Stat.
14 1057), the Boulder Canyon Project Adjustment Act (54
15 Stat. 774) or the Colorado River Storage Project Act (70
16 Stat. 105).

17 (b) The Secretary is directed to—

18 (1) administer his responsibilities under this Act
19 in such manner that he, his permittees, licensees, and
20 contractees shall in no way encroach upon, alter, or
21 affect the Colorado River Compact apportionment of
22 waters to the upper and lower basins.

23 (2) make reports as to the annual consumptive
24 uses and losses of water from the Colorado River system
25 after each successive five-year period, beginning with

1 the five-year period starting on October 1, 1965. Such
2 reports shall be prepared in consultation with the States
3 of the lower basin individually and with the Upper
4 Colorado River Commission, and shall be transmitted to
5 the President, the Congress, and to the Governors of
6 each State signatory to the Colorado River Compact.

7 (3) condition all contracts for the delivery of water
8 originating in the drainage basin of the Colorado River
9 system upon the availability of water under the Colorado
10 River Compact.

11 (c) All Federal officers and agencies are directed to
12 comply with the applicable provisions of this Act, and of
13 the laws, treaty, compacts, and decree referred to in sub-
14 section (a) of this section, in the storage and release of
15 water from all reservoirs and in the operation and mainte-
16 nance of all facilities in the Colorado River system under
17 the jurisdiction and supervision of the Secretary, and in
18 the operation and maintenance of all works which may be
19 authorized hereafter for construction for the importation of
20 water into the Colorado River system. In the event of
21 failure of any such officer or agency to so comply, any
22 affected State may maintain an action to enforce the provi-
23 sions of this section in the Supreme Court of the United
24 States and consent is given to the joinder of the United

1 States as a party in such suit or suits, as a defendant or
2 otherwise.

3 (d) Nothing in this Act shall be construed to expand or
4 diminish either Federal or State jurisdiction, responsibility or
5 rights in the field of water resources planning, development,
6 or control; nor to displace, supersede, limit or modify any
7 interstate compact or the jurisdiction or responsibility of any
8 legally established joint or common agency of two or more
9 States, or of two or more States and the Federal Govern-
10 ment; nor to limit the authority of Congress to authorize and
11 fund projects.

12 SEC. 602. (a) In order to fully comply with and carry
13 out the provisions of the Colorado River Compact, the Upper
14 Colorado River Basin Compact and the Mexican Water
15 Treaty, the Secretary shall propose criteria for the coordi-
16 nated long-range operation of the reservoirs constructed and
17 operated under the authority of this Act, the Colorado River
18 Storage Project Act, the Boulder Canyon Project Act and
19 the Boulder Canyon Project Adjustment Act. To effect in
20 part the purposes expressed in this paragraph, the criteria
21 shall make provision for the storage of water in storage units
22 of the Colorado River Storage Project and releases of water
23 from Lake Powell in the following listed order of priority:
24 (1) Releases to supply one-half the deficiency described
25 in article III (c) of the Colorado River Compact, if any such

1 deficiency exists and is chargeable to the States of the upper
2 division, but in any event such releases, if any, shall termi-
3 nate when the President issues the proclamation specified in
4 section 305 (b) of this Act.

5 (2) Releases to comply with article III (d) of the Colo-
6 rado River Compact, less such quantities of water delivered
7 into the Colorado River below Lee Ferry to the credit of the
8 States of the upper division from sources outside the natural
9 drainage area of the Colorado River system.

10 (3) Storage of water not required for the releases speci-
11 fied in clauses (1) and (2) of this subsection to the extent
12 that the Secretary, after consultation with the Upper Colo-
13 rado River Commission and representatives of the three lower
14 division States and taking into consideration all relevant
15 factors (including, but not limited to, historic streamflows,
16 the most critical period of record, and probabilities of water
17 supply), shall find to be reasonably necessary to assure de-
18 liveries under clauses (1) and (2) without impairment of
19 annual consumptive uses in the upper basin pursuant to the
20 Colorado River Compact: *Provided*, That water not so re-
21 quired to be stored shall be released from Lake Powell: (i)
22 to the extent it can be reasonably applied in the States of the
23 lower division to the uses specified in article III (e) of the
24 Colorado River Compact, but no such releases shall be made
25 when the active storage in Lake Powell is less than the active

1 storage in Lake Mead, (ii) to maintain, as nearly as prac-
2 ticable, active storage in Lake Mead equal to the active stor-
3 age in Lake Powell, and (iii) to avoid anticipated spills from
4 Lake Powell.

5 (b) Not later than July 1, 1968, the criteria proposed
6 in accordance with the foregoing subsection (a) of this sec-
7 tion shall be submitted to the governors of the seven Colo-
8 rado River Basin States and to such other parties and agen-
9 cies as the Secretary may deem appropriate for their review
10 and comment. After receipt of comments on the proposed
11 criteria, but not later than January 1, 1969, the Secretary
12 shall adopt appropriate criteria in accordance with this sec-
13 tion and publish the same in the Federal Register. Begin-
14 ning January 1, 1970, and yearly thereafter, the Secretary
15 shall transmit to the Congress and to the governors of the
16 Colorado River Basin States a report describing the actual
17 operation under the adopted criteria for the preceding com-
18 pact water year and the projected operation for the current
19 year. As a result of actual operating experience or unfore-
20 seen circumstances, the Secretary may thereafter modify the
21 criteria to better achieve the purposes specified in subsection
22 (a) of this section, but only after correspondence with the
23 Governors of the seven Colorado River Basin States and ap-
24 propriate consultation with such state representatives as each
25 governor may designate.

1 (c) Section 7 of the Colorado River Storage Project
2 Act shall be administered in accordance with the foregoing
3 criteria.

4 SEC. 603. (a) Rights of the upper basin to the con-
5 sumptive use of water apportioned to that basin from the
6 Colorado River system by the Colorado River Compact shall
7 not be reduced or prejudiced by any use of such water in
8 the lower basin.

9 (b) Nothing in this Act shall be construed so as to
10 impair, conflict with or otherwise change the duties and
11 powers of the Upper Colorado River Commission.

12 SEC. 604. Except as otherwise provided in this Act, in
13 constructing, operating, and maintaining the units of the
14 project herein and hereafter authorized, the Secretary shall
15 be governed by the Federal reclamation laws (Act of
16 June 17, 1902; 32 Stat. 388 and Acts amendatory thereof
17 or supplementary thereto) to which laws this Act shall be
18 deemed a supplement.

19 SEC. 605. (a) All terms used in this Act which are
20 defined in the Colorado River Compact shall have the mean-
21 ings there defined.

22 (b) "Main stream" means the main stream of the Colo-
23 rado River downstream from Lee Ferry within the United
24 States, including the reservoirs thereon.

25 (c) "User" or "water user" in relation to main stream

1 water in the lower basin means the United States, or any
2 person or legal entity, entitled under the decree of the
3 Supreme Court of the United States in Arizona against
4 California, and others (376 U.S. 340), to use main stream
5 water when available thereunder.

6 (d) "Active storage" means that amount of water in
7 reservoir storage, exclusive of bank storage, which can be
8 released through the existing reservoir outlet works.

9 (e) "Colorado River Basin States" means the States
10 of Arizona, California, Colorado, Nevada, New Mexico,
11 Utah, and Wyoming.

A BILL

To authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes.

By Mr. ASPINALL

JANUARY 23, 1967

Referred to the Committee on Interior and Insular
Affairs

90TH CONGRESS
1ST SESSION

S. 1004

IN THE SENATE OF THE UNITED STATES

FEBRUARY 16, 1967

Mr. HAYDEN (for himself, Mr. FANNIN, Mr. CANNON, and Mr. JACKSON)
introduced the following bill; which was read twice and referred to the
Committee on Interior and Insular Affairs

A BILL

To authorize the construction, operation, and maintenance of
the central Arizona project, Arizona-New Mexico, and for
other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. That this Act may be cited as the "Central
4 Arizona Project Act."

5 SEC. 2. (a) For the purposes of furnishing irrigation
6 water and municipal water supplies to the water deficient
7 areas of Arizona and western New Mexico through direct
8 diversion or exchange of water, generation of electric power
9 and energy, control of floods, conservation and development

1 of fish and wildlife resources, enhancement of recreation
2 opportunities, and for other purposes, the Secretary of the
3 Interior (hereinafter referred to as the "Secretary") shall
4 construct, operate, and maintain the central Arizona project,
5 consisting of the following principal works: (1) a system
6 of main conduits and canals, including a main canal and
7 pumping plants (Granite Reef aqueduct and pumping
8 plants), for diverting and carrying water from Lake Havasu
9 to Orme Dam or suitable alternative, which system shall
10 have a capacity of not less than three thousand cubic feet per
11 second; (2) Orme Dam and Reservoir and power-pumping
12 plant or suitable alternative; (3) Buttes Dam and Reservoir,
13 which shall be so operated as to not prejudice the rights of
14 any user in and to the waters of the Gila River as those
15 rights are set forth in the decree entered by the United
16 States District Court for the District of Arizona on June 29,
17 1935, in United States against Gila Valley Irrigation Dis-
18 trict and others (Globe Equity Number 59); (4) Hooker
19 Dam and Reservoir which shall be constructed to an initial
20 capacity of ninety-eight thousand acre-feet and in such a
21 manner as to permit subsequent enlargement of the structure
22 (to give effect to the provisions of subsection (i) of this
23 section; (5) Charleston Dam and Reservoir; (6) Tucson
24 aqueducts and pumping plants; (7) Salt-Gila aqueduct; (8)
25 canals, regulating facilities, hydroelectric powerplants, and

1 electrical transmission facilities; (9) related water distribu-
2 tion and drainage works; and (10) appurtenant works.

3 (b) (1) The Secretary may enter into an agreement
4 with non-Federal interests proposing to construct a thermal
5 generating powerplant whereby the United States shall
6 acquire the right to such portion of the capacity of such
7 plant, including delivery of power and energy over ap-
8 purtenant transmission facilities to mutually agreed upon
9 delivery points, as he determines is required in connection
10 with the central Arizona project. Power and energy ac-
11 quired thereunder may be disposed of intermittently by
12 the Secretary when not required in connection with the
13 central Arizona project. The agreement shall provide,
14 among other things, that—

15 (i) The United States shall pay not more
16 than that portion of the total construction cost, exclu-
17 sive of interest during construction, of the powerplant,
18 and of any switchyards and transmission facilities serv-
19 ing the United States, as is represented by the ratios
20 of the respective capacities to be provided for the United
21 States therein to the total capacities of such facilities.
22 The Secretary shall make the Federal portion of such
23 costs available to the non-Federal interests during the
24 construction period, including the period of prepara-

1 tion of designs and specifications, in such installments
2 as will facilitate a timely construction schedule;

3 (ii) Annual operation and maintenance costs, in-
4 cluding provision for depreciation (except as to depre-
5 ciation on the pro rata share of construction cost borne
6 by the United States in accordance with the foregoing
7 subdivision (i) shall be prorated between the United
8 States and the non-Federal interests on the basis of the
9 ratios determined in accordance with the foregoing sub-
10 division (i) ;

11 (iii) The United States shall be given appropriate
12 credit for any interests in Federal lands administered
13 by the Department of the Interior that are made avail-
14 able for the powerplant and appurtenances.

15 (c) Unless and until otherwise provided by Congress,
16 water from the central Arizona project shall not be made
17 available directly or indirectly for the irrigation of lands not
18 having a recent irrigation history as determined by the Sec-
19 retary, except in the case of Indian lands, national wildlife
20 refuges, and, with the approval of the Secretary, State-
21 administered wildlife management areas.

22 (d) (1) Irrigation and municipal and industrial water
23 supply under the central Arizona project within the State of
24 Arizona may, in the event the Secretary determines that it
25 is necessary to effect repayment, be pursuant to master con-

1 tracts with organizations which have power to levy assess-
2 ments against all taxable real property within their bound-
3 aries. The terms and conditions of contracts or other
4 arrangements whereby each such organization makes water
5 from the central Arizona project available to users within its
6 boundaries shall be subject to the Secretary's approval and
7 the United States shall, if the Secretary determines such
8 action is desirable to facilitate carrying out the provisions of
9 this Act, have the right to require that it be a party to such
10 contracts or that contracts subsidiary to the master contracts
11 be entered into between the United States and any user.
12 The provisions of this subparagraph (1) shall not apply to
13 the supplying of water to an Indian tribe for use within the
14 boundaries of an Indian reservation.

15 (2) Any obligation assumed pursuant to section 9 (d)
16 of the Reclamation Project Act of 1939 (43 U.S.C. 485h
17 (d)) with respect to any project contract unit or irrigation
18 block shall be repaid over a basic period of not more than
19 fifty years; any water service provided pursuant to section
20 9 (e) of the Reclamation Project Act of 1939 (43 U.S.C.
21 485h (e)) may be on the basis of delivery of water for a
22 period of fifty years and for the delivery of such water at an
23 identical price per acre-foot for water of the same class at
24 the several points of delivery from the main canals and

1 conduits and from such other points of delivery as the Secre-
2 tary may designate; and long-term contracts relating to irri-
3 gation water supply shall provide that water made available
4 thereunder may be made available by the Secretary for mu-
5 nicipal or industrial purposes if and to the extent that such
6 water is not required by the contractor for irrigation purposes.

7 (3) Contracts relating to municipal and industrial water
8 supply under the central Arizona project may be made with-
9 out regard to the limitations of the last sentence of section
10 9 (c) of the Reclamation Project Act of 1939 (43 U.S.C.
11 485h (c)) ; may provide for the delivery of such water at an
12 identical price per acre-foot for water of the same class at
13 the several points of delivery from the main canals and
14 conduits; and may provide for repayment over a period of
15 fifty years if made pursuant to clause (1) of said section and
16 for the delivery of water over a period of fifty years if made
17 pursuant to clause (2) thereof.

18 (e) Each contract under which water is provided under
19 the central Arizona project shall require that (1) there be
20 in effect measures, adequate in the judgment of the Secretary,
21 to control expansion of irrigation from aquifers affected by
22 irrigation in the contract service area; (2) the canals and
23 distribution systems through which water is conveyed after
24 its delivery by the United States to the contractors shall be
25 provided and maintained with linings, adequate in his judg-

1 ment to prevent excessive conveyance losses; (3) neither
2 the contractor nor the Secretary shall pump or permit others
3 to pump ground water from lands located within the exterior
4 boundaries of any Federal reclamation project or irrigation
5 district receiving water from the central Arizona project for
6 any use outside such Federal reclamation project or irrigation
7 district, unless the Secretary and the agency or organization
8 operating and maintaining such Federal reclamation project
9 or irrigation district shall agree or shall have previously
10 agreed that a surplus of ground water exists and that drain-
11 age is or was required; and (4) all agricultural, municipal
12 and industrial waste water, return flow, seepage, sewage
13 effluent, and ground water located in or flowing from con-
14 tractor's service area originating or resulting from (i) waters
15 contracted for from the central Arizona project or (ii)
16 waters stored or developed by any Federal reclamation
17 project are reserved for the use and benefit of the United
18 States as a source of supply for the service area of the central
19 Arizona project or for the service area of the Federal rec-
20 lamation project, as the case may be: *Provided*, That not-
21 withstanding the provisions of clause (3) of this subsection,
22 the agricultural, municipal and industrial waste water, return
23 flow, seepage, sewage effluent, and ground water in or from
24 any such Federal reclamation project, may also be pumped
25 or diverted for use and delivery by the United States else-

1 where in the service area of the central Arizona project, if
2 not needed for use or reuse in such Federal reclamation
3 project.

4 (f) The Secretary may require in any contract under
5 which water is provided from the central Arizona project that
6 the contractor agree to accept main stream water in exchange
7 for or in replacement of existing supplies from sources other
8 than the main stream. The Secretary shall so require in the
9 case of users in Arizona who also use water from the Gila
10 River system, to the extent necessary to make available to
11 users of water from the Gila River system in New Mexico
12 additional quantities of water as provided in and under the
13 conditions specified in subsection (i) of this section: *Pro-*
14 *vided*, That such exchanges and replacements shall be accom-
15 plished without economic injury or cost to such Arizona
16 contractors.

17 (g) In times of shortage or reduction of main stream
18 Colorado River water for the central Arizona project, as
19 determined by the Secretary, users which have yielded water
20 from other sources in exchange for main stream water sup-
21 plied by that project shall have a first priority to receive main
22 stream water, as against other users supplied by that unit
23 which have not so yielded water from other sources, but only
24 in quantities adequate to replace the water so yielded.

25 (h) In the operation of the central Arizona project.

1 the Secretary shall offer to contract with water users in
2 New Mexico for water from the Gila River, its tributaries
3 and underground water sources, in amounts that will permit
4 consumptive use of water in New Mexico not to exceed an
5 annual average in any period of ten consecutive years of
6 eighteen thousand acre-feet, including reservoir evaporation,
7 over and above the consumptive uses provided for by article
8 IV of the decree of the Supreme Court of the United States
9 in Arizona against California (376 U.S. 340). Such in-
10 creased consumptive uses shall not begin until and shall
11 continue only so long as delivery of Colorado River water
12 to downstream Gila River users in Arizona is being accom-
13 plished in accordance with this Act, in quantities sufficient
14 to replace any diminution of their supply resulting from such
15 diversions from the Gila River, its tributaries and under-
16 ground water sources. In determining the amount required
17 for this purpose full consideration shall be given to any
18 differences in the quality of the waters involved. All addi-
19 tional consumptive uses provided for in this subsection shall
20 be subject to all rights in New Mexico and Arizona as estab-
21 lished by the decree entered by the United States District
22 Court for the District of Arizona on June 29, 1935, in
23 United States against Gila Valley Irrigation District and
24 others (Globe Equity Numbered 59) and to all other rights

1 existing on the effective date of this Act in New Mexico and
2 Arizona to water from the Gila River, its tributaries and
3 underground water sources, and shall be junior thereto and
4 shall be made only to the extent possible without economic
5 injury or cost to the holders of such rights.

6 SEC. 3. The conservation and development of the fish
7 and wildlife resources and the enhancement of recreation
8 opportunities in connection with the central Arizona project
9 works authorized pursuant to this Act shall be in accordance
10 with the provisions of the Federal Water Project Recreation
11 Act (79 Stat. 213).

12 SEC. 4. The Secretary shall determine the repayment
13 capability of Indian lands within, under, or served by the
14 central Arizona project. Construction costs allocated to
15 irrigation of Indian lands (including provision of water for
16 incidental domestic and stock water uses) and within the
17 repayment capability of such lands shall be subject to the
18 Act of July 1, 1932 (47 Stat. 464), and such costs as are
19 beyond repayment capability of such lands shall be nonreim-
20 bursable.

21 SEC. 5. The interest rate applicable to those portions of
22 the reimbursable costs of the central Arizona project which
23 are properly allocated to commercial power development and
24 municipal and industrial water supply shall be determined by
25 the Secretary of the Treasury, as of the beginning of the

1 fiscal year in which the first advance is made for initiating
2 construction of such project, on the basis of the computed
3 average interest rate payable by the Treasury upon its out-
4 standing marketable public obligations which are neither
5 due nor callable for redemption for fifteen years from the
6 date of issue.

7 SEC. 6. The Secretary may undertake programs for
8 water salvage along and adjacent to the main stream of the
9 Colorado River and for ground water recovery. Such pro-
10 grams shall be consistent with maintenance of a reasonable
11 degree of undisturbed habitat for fish and wildlife in the
12 area, as determined by the Secretary.

13 SEC. 7. The Upper Colorado River Basin fund estab-
14 lished under section 5 of the Act of April 11, 1956 (70 Stat.
15 107), shall be reimbursed from the Colorado River develop-
16 ment fund established by section 2 of the Boulder Canyon
17 Project Adjustment Act (54 Stat. 755), for all expenditures
18 heretofore or hereafter made from the Upper Colorado River
19 Basin fund to meet deficiencies in generation at Hoover Dam
20 during the filling period of reservoirs of storage units of the
21 Colorado River storage project pursuant to the criteria for
22 the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851,
23 July 19, 1962). For this purpose \$500,000 for each year
24 of operation of Hoover Dam and powerplant, commencing
25 with the enactment of this Act, shall be transferred from

1 the Colorado River development fund to the Upper Colorado
2 River Basin fund, in lieu of application of said amounts to
3 the purposes stated in section 2 (d) of the Boulder Canyon
4 Project Adjustment Act, until such reimbursement is accom-
5 plished. To the extent that any deficiency in such reim-
6 bursement remains as of June 1, 1987, the amount of
7 the remaining deficiency shall then be transferred to
8 the Upper Colorado River Basin fund from net revenues
9 derived from the sale of electric energy generated at Hoover
10 Dam.

11 SEC. 8. Nothing in this Act shall be construed to alter,
12 amend, repeal, modify, or be in conflict with the provisions of
13 the Colorado River Compact (45 Stat. 1057), the Upper
14 Colorado River Basin compact (63 Stat. 31), the water
15 treaty of 1944 with the United Mexican States (Treaty
16 Series 994), the decree entered by the Supreme Court of the
17 United States in Arizona against California, and others (376
18 U.S. 340), or, except as otherwise provided herein, the
19 Boulder Canyon Project Act (45 Stat. 1057), the Boulder
20 Canyon Project Adjustment Act (54 Stat. 774) or the Colo-
21 rado River Storage Project Act (70 Stat. 105).

22 SEC. 9. The Secretary is directed to—

23 (a) make reports as to the annual consumptive
24 uses and losses of water from the Colorado River system
25 after each successive five-year period, beginning with

1 the five-year period starting on October 1, 1965. Such
2 reports shall be prepared in consultation with the States
3 of the lower basin individually and with the Upper Colo-
4 rado River Commission, and shall be transmitted to the
5 President, the Congress, and to the Governors of each
6 State signatory to the Colorado River compact;

7 (b) condition all contracts for the delivery of water
8 originating in the drainage basin of the Colorado River
9 system upon the availability of water under the Colorado
10 River compact.

11 SEC. 10. (a) The Secretary shall propose criteria for
12 the coordinated long-range operation of the reservoirs con-
13 structed and operated under the authority of the Colorado
14 River Storage Project Act and the Boulder Canyon Project
15 Act, consistent with the provisions of those statutes, the
16 Boulder Canyon Project Adjustment Act, the Colorado River
17 compact, the Upper Colorado River compact and the Mexi-
18 can Water Treaty. To effect in part the purposes expressed
19 in this paragraph, the criteria shall make provision for the
20 storage of water in storage units of the Colorado River stor-
21 age project and releases of water from Lake Powell in the
22 following listed order of priority:

23 (1) Releases to supply one-half the deficiency described
24 in article III (c) of the Colorado River compact, if any such

1 deficiency exists and is chargeable to the States of the upper
2 division.

3 (2) Releases to comply with article III (d) of the Colo-
4 rado River compact.

5 (3) Storage of water not required for the releases speci-
6 fied in clauses (1) and (2) of this subsection to the extent
7 that the Secretary, after consultation with the Upper Colo-
8 rado River Commission and representatives of the three low-
9 er division States and taking into consideration all relevant
10 factors (including, but not limited to, historic streamflows,
11 the most critical period of record, and probabilities of water
12 supply), shall find to be reasonably necessary to assure de-
13 liveries under clauses (1) and (2) without impairment of
14 annual consumptive uses in the upper basin pursuant to the
15 Colorado River compact: *Provided*, That water not so re-
16 quired to be stored shall be released from Lake Powell: (i)
17 to the extent it can be reasonably applied in the States of the
18 lower division to the uses specified in article III (e) of the
19 Colorado River compact, but no such releases shall be made
20 when the active storage in Lake Powell is less than the ac-
21 tive storage in Lake Mead, (ii) to maintain, as nearly as
22 practicable, active storage in Lake Mead equal to the active
23 storage in Lake Powell, and (iii) to avoid anticipated spills
24 from Lake Powell.

25 (b) Not later than July 1, 1968, the criteria proposed

1 in accordance with the foregoing subsection (a) of this
2 section shall be submitted to the Governors of the seven
3 Colorado River Basin States and to such other parties and
4 agencies as the Secretary may deem appropriate for their
5 review and comment. After receipt of comments on the
6 proposed criteria, but not later than January 1, 1969, the
7 Secretary shall adopt appropriate criteria in accordance
8 with this section and publish the same in the Federal
9 Register. Beginning January 1, 1970, and yearly there-
10 after, the Secretary shall transmit to the Congress and to
11 the Governors of the Colorado River Basin States a report
12 describing the actual operation under the adopted criteria
13 for the preceding compact water year and the projected
14 operation for the current year. As a result of actual oper-
15 ating experience or unforeseen circumstances, the Secre-
16 tary may thereafter modify the criteria to better achieve
17 the purposes specified in subsection (a) of this section, but
18 only after correspondence with the Governors of the seven
19 Colorado River Basin States and appropriate consultation
20 with such State representatives as each Governor may
21 designate.

22 (c) Section 7 of the Colorado River Storage Project
23 Act shall be administered in accordance with the foregoing
24 criteria.

25 SEC. 11. (a) Rights of the upper basin to the con-

1 sumptive use of water apportioned to that basin from the
2 Colorado River system by the Colorado River compact
3 shall not be reduced or prejudiced by any use of such water
4 in the lower basin.

5 (b) Nothing in this Act shall be construed so as to
6 impair, conflict with, or otherwise change the duties and
7 powers of the Upper Colorado River Commission.

8 SEC. 12. Except as otherwise provided in this Act,
9 in constructing, operating, and maintaining the central
10 Arizona project, the Secretary shall be governed by the
11 Federal reclamation laws (Act of June 17, 1902; 32 Stat.
12 388 and Acts amendatory thereof or supplementary thereto)
13 to which laws this Act shall be deemed a supplement.

14 SEC. 13. (a) All terms used in this Act which are
15 defined in the Colorado River compact shall have the mean-
16 ings there defined.

17 (b) "Main stream" means the main stream of the Colo-
18 rado River downstream from Lee Ferry within the United
19 States, including the reservoirs thereon.

20 (c) "User" or "water user" in relation to main stream
21 water in the lower basin means the United States, or any
22 person or legal entity, entitled under the decree of the Su-
23 preme Court of the United States in Arizona against Cali-
24 fornia, and others (376 U.S. 340), to use main stream
25 water when available thereunder.

1 (d) “Active storage” means that amount of water in
2 reservoir storage, exclusive of bank storage, which can be
3 released through the existing reservoir outlet works.

4 (e) “Colorado River Basin States” means the States of
5 Arizona, California, Colorado, Nevada, New Mexico, Utah,
6 and Wyoming.

7 SEC. 14. There is hereby authorized to be appropriated,
8 out of any moneys in the Treasury not otherwise appropri-
9 ated, such sums as may be required to carry out the purposes
10 of this Act.

A BILL

To authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes.

By Mr. HAYDEN, Mr. FANNIN, Mr. CANNON,
and Mr. JACKSON

FEBRUARY 16, 1967

Read twice and referred to the Committee on Interior
and Insular Affairs

Travel expense

[Please include all travel, whether paid by you or not; if prepurchased for you by committee, write "prepaid" under "Amount claimed" in last column. Attach all transportation ticket stubs, whether purchased by you or by the committee]

Mode of travel (train, plane, bus, private automobile)	Date (month and day)	Points of travel		Rate per mile	Amount claimed
		From—	To—		

Total, travel expense.....\$.....

Miscellaneous expense

Date 19----	Type of expenditure (taxi, telephone, clerical assistance, etc.)	Amount claimed

Total, miscellaneous expense.....\$.....

Per diem claimed

(Please list date and hour of departure and arrival)

From—	To (inclusive)—	Number of days	Rate per day	Amount claimed

Total, per diem.....\$.....

Grand total.....\$.....

Sign here

FLAMMABLE FABRICS ACT AMENDMENTS OF 1967

Mr. MAGNUSON. Mr. President, on January 16, in a statement outlining the prospective work of the Consumer Subcommittee, I promised to introduce legislation to transform the limited terms of the Flammable Fabrics Act into a comprehensive fire safety law for all household and personal fabrics.

I now send to the desk for appropriate reference on behalf of myself and the Senator from New Jersey [Mr. WILLIAMS], the Flammable Fabrics Act Amendments of 1967. I am gratified to report that this bill has been developed in close cooperation with the distinguished chairman of the House Interstate and Foreign Commerce Committee, Mr. STAGGERS, and the administration.

The hazards caused by the flammability of clothing and other household fabrics have long been known to the medical profession and fire protection agencies. Unfortunately, the general public does not fully comprehend the extent of the hazard—only the victim, his parents, and friends fully understand the painful, scarring consequences of human burns.

Burns from ignition of clothing and other household fabrics clearly constitute an extremely serious health problem in the United States. Thousands of men, women, and children are burned, many fatally, when their clothing accidentally catches fire. According to a Public Health Service estimate, 150,000 persons in this country are burned each year in clothing fires. Thousands more are burned from bedding and other fabric fires. Because of their slow reactions, an unusually high proportion of burns occur amongst children, the elderly and the infirm.

Statistics on numbers burned, however, do not begin to reveal the magnitude of the problem. Injuries from burns impose tremendous costs on the victims. The economic costs alone are exorbitant but the intangible costs in terms of human suffering are many times scarcely bearable.

Dr. George F. Crikelair, professor of surgery and director of Plastic Surgery Service, Columbia-Presbyterian Medical Center, New York City, aptly stated the tragic consequences of a serious burn:

It is painful, debilitating, the morbidity is extreme, the mortality high, and the time, cost, and work involved unbelievable. Given

a patient who is seriously burned, the initial hospital time may be five to six months involving numerous operations, countless hours of nursing and medical care, and astronomical supplies of blood, intravenous liquids, dressings and drugs. Reconstructive work may go on for three or four years.

The tragedy of burns, of course, does not end here. As Dr. Crikelair noted:

And we know that even when burn victims survive, our techniques for the reconstruction of damaged hands and deeply scarred ears and noses are still less perfect than we'd like. The answer is obviously prevention.

The Flammable Fabrics Act, enacted in 1953, represented the reaction of Congress to a series of shocking news stories which appeared at the time, of young girls burned by sweaters so highly flammable that they exploded into flames in the presence of a lighted match or cigarette.

This act has served adequately to rid the country of so-called explosive clothing. However, there is disturbing evidence of the widespread distribution of dangerously flammable fabrics which are beyond the reach of this law.

The Flammable Fabrics Act now incorporates a specific standard to be utilized in measuring the flammability of wearing apparel. Neither the Federal Trade Commission nor the Department of Commerce, through its standards procedures, are authorized to amend the standard.

The degree of protection offered by the present standard is oftentimes inadequate. In many cases the impression of protection is an illusion. A prominent Washington reporter, whose daughter was tragically and cruelly burned when her flannel pajamas were suddenly consumed by fire, took the charred remains of the pajamas to the Textile Bureau of the Federal Trade Commission for prosecution. The Trade Commission was powerless. The pajamas were not flammable under the standard established by the Flammable Fabrics Act.

The standard promulgated in 1953 may no longer provide the American public with a sufficient degree of protection. The consumer has a right to be protected not only from explosive fabrics, but also from those which burn at an unreasonably rapid rate. As technology advances it is mandatory that a mechanism be provided by which technical standards of flammability can be improved and upgraded.

The amendment proposed today would provide that mechanism—it would give the Secretary of Commerce the authority to raise and strengthen standards whenever he finds that such standards are inadequate for the protection of the public interest.

A comprehensive Flammable Fabrics Act, however, requires more than the broadening of standards. Equally important is an extension of the scope of the Act. The coverage of the present Flammable Fabrics Act is limited to wearing apparel. This rigid limitation has resulted in many anomalies. For example, the Trade Commission determined that it had the power to halt the sale of flammable bridal veils but not flammable baby blankets. And, a fabric

which can be banned from use in a sweater can be sold without restriction as a drape or carpet, upholstery fabric, or blanket.

It is indisputable that many household fabrics constitute fire hazards. Thousands are burned each year from bedding and home furnishing fires. In addition to wearing apparel, the consumer surely deserves protection from dangerously flammable drapes, bedding, rugs and other fabrics. The proposed amendment would provide this protection by extending the scope of the act to include all fabrics and related products.

A major obstacle in our efforts to upgrade flammability standards has been the lack of reliable statistics on injuries and deaths caused by flammable fabrics. None of the public or private agencies concerned with fire hazards can say with certainty how many victims there are of fabric burnings. And there is no central clearing house where information from various agencies can be combined and analyzed.

Under the proposed amendment, the Secretary of Commerce may establish standards for fabrics other than wearing apparel if he determines that an unreasonable hazard exists. The need for a standard, however, cannot be determined in a vacuum. Reliable statistics are needed to identify those products or fabrics which constitute a significant health hazard.

The Department of Health, Education, and Welfare is best equipped to fulfill this information-gathering function. Under the proposed amendment, the Secretary of HEW, in cooperation with the Department of Commerce, would be directed to conduct a comprehensive and continuing investigation of the deaths, injuries, and economic losses resulting from accidental burns.

The legislation proposed today would not eliminate all risks of flammability, for most fabrics, in varying degrees, are flammable. Rather, the thrust of the legislation is to bar from the marketplace those fabrics which are unreasonably hazardous.

The future, however, presents a bright hope for reducing the risks even further. During the past decade significant technological progress has been achieved in developing flame-retardant clothing and other fabrics. Fabrics treated with flame-retardant chemicals either do not burn or burn so slowly that they will not cause burns under ordinary conditions.

Unfortunately, except for wool, which is naturally fire resistant, few fabrics of this kind are available for consumer use in the United States. According to industry representatives, the cost and quality of chemically-treated fabrics have been barriers to widespread use.

It appears likely, however, that these obstacles will soon be overcome. A conference on burns and flame retardant fabrics, recently held in New York, spotlighted recent developments. Attending were representatives of the Government, the medical and health professions, private industry, and the consumer public. The final result of the meeting was the establishment of a broadly based perma-

nent organization dedicated to first, the development of improved flame-retardant fabrics; second, the education and protection of the consumer public; and third, the exchange of knowledge among all groups concerned.

The formation of this association is a most encouraging sign. I am delighted that industry and other private organizations have recognized the hazards posed by flammable fabrics and are taking active steps to reduce these hazards. Under the legislation proposed today, the Secretary of Commerce will be in a position to cooperate with and assist these organizations in their developmental work.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1003) to amend the Flammable Fabrics Act to increase the protection afforded consumers against injurious flammable fabrics, introduced by Mr. MAGNUSON (for himself and Mr. WILLIAMS of New Jersey), was received, read twice by its title, and referred to the Committee on Commerce.

CONSTRUCTION OF THE CENTRAL ARIZONA PROJECT

Mr. HAYDEN. Mr. President, I introduce for myself, Senator FANNIN, and Senator JACKSON, of Washington, a bill to construct the central Arizona project which will provide Arizona with the water it must have to augment a rapidly diminishing underground water supply.

Arizona has a desperate need for water and we have attempted to develop a workable plan that answers this overriding need. I have introduced similar legislation in years past but I feel that our present proposal has an excellent chance of winning the support necessary to pass Congress.

The bill authorizes construction of an aqueduct capable of carrying Arizona's share of Colorado River water from Lake Havasu into central Arizona.

Arizonans have fought for a long time to replenish their diminishing supply of water. Now we feel that through this workable compromise, based on our experiences and needs, Arizonans can count on help from our many friends throughout the country.

I now yield to the Senator from Washington [Mr. JACKSON].

Mr. JACKSON. Mr. President, it is a great pleasure for me to join with the distinguished senior Senator from Arizona in cosponsoring the legislation he has introduced today to authorize the construction of the central Arizona project. Other Members of the Senate are aware that I have supported the central Arizona project in the past so that Arizona can receive water to which it is legally entitled. Bills authorizing the project were passed by the Senate during the 81st and 82d Congresses. More recently, in 1964 the Senate Interior and Insular Affairs Committee reported a bill which would have authorized the central Arizona project.

It is my understanding that within the next few days the administration will also be submitting a bill to authorize a

development program for the lower Colorado River and the central Arizona project. The major provisions of this bill were outlined at a news conference held by Secretary Udall on February 1. At that time I commented that the program described by Secretary Udall appeared to be "a sound basis for agreement in the Congress and a program which can go forward without the disputes between States and regions which have plagued the previous proposals." As chairman of the Senate Interior and Insular Affairs Committee, I will introduce the bill requested by the administration when it is submitted.

I am hopeful that following public hearings and diligent consideration of the pertinent bills before the committee, we will be able to report to the Senate a bill which will meet the legitimate needs of Arizona and the country.

The Nation as a whole and especially those of us who have had the privilege to serve in the Senate with CARL HAYDEN have reason to be grateful to him for his dedicated service to the country during his long and distinguished career in Congress. I am confident that his many friends will wish to join with him in supporting this important and needed legislation.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1004) to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes, introduced by Mr. HAYDEN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, I ask unanimous consent, if it has not already been granted, that the bill just introduced by the senior Senator from Arizona may lie at the desk for 10 days for cosponsors.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

COMMITMENT PROCEDURE FOR PERSONS FOUND NOT GUILTY BY REASON OF INSANITY

Mr. TYDINGS. Mr. President, I introduce, for myself and Senator MORSE, for appropriate reference, a bill to create the verdict of not guilty by reason of insanity in Federal criminal procedure and to establish a procedure for the commitment of persons so adjudged if after such verdict they are determined to be dangerous, because of their mental condition, to themselves or other persons. This bill is, in large part, the same as S. 3753, which I introduced during the second session of the 89th Congress.

Mr. President, there is at the present time a serious void in Federal criminal procedure. I became acutely aware of this loophole while serving as the U.S. district attorney for the district of Maryland. The gap in Federal procedure was exposed by the activities of a young man who had an unquenchable urge to fly airplanes, although he had

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15. FARM PROGRAM. Rep. Aspinall spoke of the "growing amount of attention" on the "complex problems of the agriculture industry" and inserted a speech made by a rancher at a meeting of farmers and ranchers sponsored by ASCS. pp. H8359-60
16. LEGISLATIVE PROGRAM. Rep. Albert announced the following program for the week of July 10: Tues., Consent Calendar, 3 suspensions--civil rights bill, Federal employees life insurance bill, and career status for temporary employees bill. Wed., water resources bill. p. H8316
17. ADJOURNED until Mon., July 10. p. H8368

SENATE
18. MEAT IMPORTS. Sen. Hruska spoke in favor of S. 1588, "that is intended to revise and tighten up our present system for applying import quotas on meat." pp. S9176-7
19. GRAIN. Sen. Mansfield inserted a statement by the Mont. Farmers' Union urging the enactment of S. 7, to provide a special export wheat payment and to provide that price support for corn beginning with the 1967 crop shall be at a national average rate of not less than 90 percent of parity, or comparable farm income-increasing legislation. pp. S9165-6
20. PERSONNEL. Sen. Williams, Del., criticized the increase in Federal employment since the President issued a "freeze" order in Sept. p. S9165
21. BUDGET. Sen. Young, N. D., inserted an article, "The Federal Budget is Getting Smaller," based on an interview with Sen. Hayden. pp. S9178-9
22. HOUSING. Sen. Percy inserted several pro and con articles on S. 1592, the proposed National Home Ownership Foundation Act. pp. S9181-6
Sen. Percy inserted an article, "Guidelines for Effective Federal Housing Policy." pp. S9196-8
23. TAX SHARING. Sen. Baker inserted an article in support of a Federal-State revenue sharing program. p. S9190
24. WATERSHEDS. Sen. Baker commended and inserted a speech by SCS Administrator Williams on the small watershed program and its development of projects for flood prevention, agricultural water management, municipal and industrial water supply, fish and wildlife development, and recreation through local organizations. pp. S9194-5
25. PACKAGING. Sen. Hart urged that funds be made available to implement the truth-in-packaging bill passed in the 89th Congress. pp. S9198-9
26. TRUTH-IN-LENDING. The Banking and Currency Committee reported with amendment S. 5, the truth-in-lending bill. (S. Rept. 392). p. S9154
27. APPROPRIATIONS. Agreed to the conference report on H. R. 7501, the Treasury, Post Office, and Executive Office appropriation bill. This bill will now be sent to the President. pp. S9152-3

The Appropriations Committee reported with amendments H. R. 10368, the legislative appropriation bill (S. Rept. 393). pp. S9163-4

28. ECONOMY. Sen. Percy discussed the economic strength of the U. S. and stated, "The administration should immediately disclose the budgetary outlook and its own policies to promote stability. This requires a resubmission of its fiscal 1968 expenditure proposals. Our economic strength is essential to our own security and that of the free world." pp. S9143-4
29. RECLAMATION. The Interior and Insular Affairs Committee ordered favorably reported with amendments (but did not actually report) S. 1004, authorizing construction and operation of the central Arizona project. p. D553
30. ADJOURNED until Mon., July 10. p. S9201

ITEMS IN APPENDIX

31. MINERALS. Rep. Saylor inserted an article, "The Influence of the Minerals Industry on General Economics." pp. A3356-60
32. OPINION POLL. Rep. Shriver inserted the results of a questionnaire, including items of interest to this Department. pp. A3364-5
33. POVERTY. Rep. Bolling inserted an article on the practical consequences of the poverty campaign. p. A3371
34. LANDS; RECREATION. Rep. Dingell inserted an article pointing out that lands for conservation and recreation for the future are going to be impossible to acquire because of the rapid upward spiral in land prices. pp. A3377-8
35. POLLUTION. Extension of remarks of Rep. Hanna stressing the need for educational programs to combat undesirable environmental effects. p. A3383
36. FOREIGN TRADE. Rep. Bolling inserted four articles expressing support of the results of the Kennedy round of trade negotiations. pp. A3389-91

BILLS INTRODUCED

37. FLOOD INSURANCE. H. R. 11270 by Rep. Rodino, H. R. 11273 by Rep. Biester and H. R. 11274 by Rep. Cahill, to amend the Federal Flood Insurance Act of 1956, to provide for a national program of flood insurance; to Banking and Currency Committee.
38. EDUCATION. H. R. 11265 by Rep. Perkins and H. R. 11276 by Rep. Hawkins, to authorize appropriations to carry out the Adult Education Act of 1966 for 2 additional years; to Education and Labor Committee.
39. IMPORTS. H. R. 11275 by Rep. Daniels, to authorize a duty on soluble coffee; to Ways and Means Committee. Remarks of author pp. H8322-4
H. R. 11286 by Rep. Utt, to amend the tariff schedules of the United States with respect to the rate of duty on olives packed in certain airtight containers; to Ways and Means Committee.

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18. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment S. 1004, to authorize the construction, operation, and maintenance of the central Arizona project. (S. Rept. 408). p. S10276
Sen. Jackson inserted a statement by Sen. Hayden expressing the views and recommendations of a majority of the members of the Interior and Insular Affairs Committee on S. 1004 and urging its enactment. pp. S10406-8
19. ECONOMY. Sen. Proxmire inserted several articles and tables showing a comparison of price trends and stated, "However disconcerting these increases are, they do not indicate increases stemming from demand pressures, but rather some special developments in agriculture, some cost push increases, and some longrun or structural price changes, and they should not be construed as any justification for a tax increase." pp. S10291-7
Sen. Miller criticized the Administration's record on inflation and urged that domestic spending be reduced. pp. S10307-9
20. FOREIGN TRADE. Sen. Proxmire commended Sen. Boggs and his Subcommittee on Foreign Economic Policy for work in assessing U. S. foreign trade policy and inserted a statement by Sen. Boggs on this subject. pp. S10301-2
21. PERSONNEL. Agreed to the conference report on H. R. 11089, to provide additional group life insurance for Government employees. pp. S10357-8
22. REA LOANS. Received from this Department a report on approval of a loan to a cooperative in Wis. for the financing of certain generation and transmission facilities; to the Appropriations Committee. p. S10276
23. WHEAT. Received from GAO a report on review of certain aspects of the wheat export program conducted by the CCC; to the Government Operations Committee. p. S10277
Sen. Carlson was added as a cosponsor to S. 649, to provide for a voluntary wheat certificate program. p. S10288
24. TEXTILE IMPORTS. Sens. Dominick, Tower, and Muskie were added as cosponsors to S. 1796, to impose quotas on the importation of certain textile articles. p. S10289
25. TAX SHARING. Sen. Baker urged the release of a Presidential task force report on Federal revenue sharing prepared in 1964, inserted a study on this subject (pp. S10359-60), and inserted a Van Buren County resolution favoring his tax sharing bill (p. S10417).
26. POLLUTION. Sen. Brewster inserted an article, "Industry Action To Combat Pollution." pp. S10373-8
27. INTERGOVERNMENTAL RELATIONS. Sen. Muskie reviewed Federal-State relations and inserted an article dealing with the "steps which the President has taken to strengthen the partnership between the Federal Government and the States." pp. S10400-1
28. FOOD. The Labor and Public Welfare Committee ordered favorably reported (but did not actually report) with amendments S. 2138, the emergency food and medicine distribution bill. p. D648
- 28A. ADJOURNED until Mon., July 31. p. S10430

ITEMS IN APPENDIX

29. FOREIGN AID. Rep. Frelinghuysen inserted an article, "Representative Goodell Sees Need of Changes in Alliance Aid." p. A3805
Rep. Scheuer inserted a Columbia University professor's testimony expressing his "views on the world population problem and its relation to our foreign aid program." p. A3806-8
30. POVERTY. Insertion by Rep. Bolling of an article praising the work of the poverty program in Kansas City. p. A3800
Sen. Byrd, Va., inserted an article, "'Buying Publicity for War on Poverty." pp. A3801-2
Rep. Taylor inserted an article commending the Job Corps (pp. A3812-3) and Rep. Wright inserted an article telling how community action programs battle poverty (pp. A3813-14).
31. ELECTRIFICATION. Speech in the House by Rep. Watkins, during debate on the public works appropriation bill, urging the defeat of the Dickey-Lincoln hydroelectric project. p. A3817
32. OPINION POLL. Rep. Smith, Okla., inserted the results of a questionnaire including items of interest to this Department. pp. A3818-19
33. RECLAMATION. Extension of remarks of Rep. Wyatt favoring the proposed Monmouth-Dallas irrigation project and inserting an Oreg. Legislature resolution urging early action on this project. pp. A3822-3
34. POLLUTION. Extension of remarks of Rep. Hanna urging fast committee action on the proposed Air Quality Act. p. A3835
Rep. Dingell inserted an article, "As We See It: Clean Water Plan Fouled by Redtape and Red Ink." p. A3837
35. MEXICAN-AMERICANS. Rep. Roybal inserted an article by Rep. Gonzalez on the progress being made to strengthen the opportunities for the Mexican-Americans. pp. A3838-9
36. MEAT INSPECTION. Extension of remarks of Rep. Green, Pa., in support of his bill to extend Federal meat inspection standards to plants handling intrastate meat. p. A3843

BILLS INTRODUCED

37. EMPLOYMENT. H. R. 11834 by Rep. Adams and H. R. 11886 by Rep. Anderson, Tenn., to provide incentives for the creation by private industry of additional employment opportunities for residents of urban poverty areas; to Ways and Means Committee.
38. FOOD ADDITIVES. H. R. 11837 by Rep. Hosmer and others, H. R. 11838 by Rep. Hansen, Idaho, H. R. 11839 by Rep. Cunningham, H. R. 11840 by Rep. Minshall, H. R. 11841 by Rep. Addabbo, H. R. 11842 by Rep. Brown, Calif., to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements; to Interstate and Foreign Commerce Committee. Remarks of Rep. Hosmer pp. H9536-7

90TH CONGRESS }
1st Session }

SENATE }

REPORT
No. 408

CENTRAL ARIZONA PROJECT

JULY 26, 1967.—Ordered to be printed

Mr. HAYDEN, from the Committee on Interior and Insular Affairs,
submitted the following

REPORT

together with

MINORITY AND INDIVIDUAL VIEWS

[To accompany S. 1004]

The Committee on Interior and Insular Affairs, to which was referred the bill (S. 1004) to authorize the construction, operation, and maintenance of the Central Arizona Project, Arizona-New Mexico, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill (as amended) do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert the following language:

SECTION 1. That this Act may be cited as the "Central Arizona Project Act".

SEC. 2. (a) For the purposes of furnishing irrigation water and municipal water supplies to the water-deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, generation of electric power and energy, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall construct, operate, and maintain the Central Arizona Project, consisting of the following principal works: (1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system shall have a capacity of not less than three thousand cubic feet per second; (2) Orme Dam and Reservoir and power-pumping plant or suitable alter-

native; (3) Buttes Dam and Reservoir, which shall be so operated as to not prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59); (4) Hooker Dam and Reservoir, which shall be constructed in such a manner as to give effect to the provisions of subsections (f), (g), and (h) of this section; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueduct; (8) canals, regulating facilities, hydroelectric powerplants, and electrical transmission facilities; (9) related water distribution and drainage works; and (10) appurtenant works: *Provided*. That for a period of 27 years from the effective date of this Act, in any year in which, as determined by the Secretary, there will be insufficient main stream Colorado River water to satisfy the consumptive uses of two million eight hundred thousand, four million four hundred thousand, and three hundred thousand acre-feet in Arizona, California, and Nevada, respectively, diversions for the said purposes of the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use of four million four hundred thousand acre-feet in the State of California. Except as to the terms and provisions of this priority, the rights of Arizona under the decision in Arizona against California (373 U.S. 546) are not affected, abridged, or impaired. The terms "consumptive use" and "main-stream" as used in this Act shall have the meanings assigned to those terms in the decree in Arizona against California, dated March 9, 1964 (376 U.S. 340).

(b)(1) The Secretary may enter into an agreement with non-Federal interests proposing to construct a thermal generating powerplant whereby the United States shall acquire the right to such portion of the capacity of such plant, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the Central Arizona Project. Power and energy acquired thereunder may be disposed of intermittently by the Secretary when not required in connection with the Central Arizona Project. The agreement shall provide, among other things, that—

(i) The United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplant and of any switchyards and transmission facilities serving the United States, as represented by the ratios of respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of preparation of designs and specifications, in such installments as will facilitate a timely construction schedule, but no funds other than for preconstruction activities shall be made available by the Secretary until he determines that adequate contractual arrangements are in effect covering water and fuel supplies for the thermal generating powerplant;

(ii) Annual operation and maintenance costs, including provisions for depreciation (except as to depreciation on the pro rata share of construction cost borne by the United States in accordance with the foregoing subdivision (i)) shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing subdivision (i);

(iii) The United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplant and appurtenances;

(iv) Costs to be borne by the United States under subdivisions (i) and (ii) shall not include (a) interest and interest during construction, (b) financing charges, (c) franchise fees, and (d) such other costs as shall be specified in the agreement.

(2) The thermal generating plant referred to in subparagraph (1) of this subsection shall be located in Arizona, and if it is served by water diverted from the drainage area of the Colorado River system above Lee Ferry, consumptive use of water in connection therewith shall be charged against the apportionment to Arizona made by article III(a) of the Upper Colorado River Basin Compact (63 Stat. 31) and such use shall not increase Arizona's entitlement to consumptive use under said compact.

(c) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges, and, with the approval of the Secretary, State-administered wildlife management areas.

(d) (1) Irrigation and municipal and industrial water supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other arrangements whereby each such organization makes water from the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval and the United States shall, if the Secretary determines such action is desirable to facilitate carrying out the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this subparagraph (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

(2) Any obligation assumed pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9(e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(e)) may be on the basis of delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of

delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes.

(3) Contracts relating to municipal and industrial water supply under the Central Arizona Project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

(e) Each contract under which water is provided under the Central Arizona Project shall require that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings, adequate in his judgment to prevent excessive conveyance losses; and (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the service area of a contractor receiving water from the Central Arizona Project for any use outside said contractor's service area unless the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required. Such contracts shall be subordinate at all times to the satisfaction of all existing contracts between the Secretary and users in Arizona heretofore made pursuant to the Boulder Canyon Project Act (45 Stat. 1057).

(f) The Secretary may require in any contract under which water is provided from the Central Arizona Project that the contractor agree to accept main stream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system, to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (h) of this section: *Provided*, That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

(g) In times of shortage or reduction of main stream Colorado River water for the Central Arizona Project, as determined by the Secretary, users which have yielded water from other sources in exchange for main stream water supplied by that project shall have a first priority to receive main stream water, as against other users supplied by that project which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

(h) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources, in amounts that will permit consumptive use of water in New Mexico not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until and shall continue only so long as delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversions from the Gila River, its tributaries and underground water sources. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved. All additional consumptive uses provided for in this subsection shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries and underground water sources, and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

(i) For a period of ten years from the date of enactment of this Act, no water from the projects authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

(j) The Secretary shall integrate the Dixie project, heretofore authorized, into the repayment arrangement and participation in the Development Fund established by section 5 of this Act consistent with the provisions of this Act.

SEC. 3. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Central Arizona Project works authorized pursuant to this Act shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 4. The Secretary shall determine the repayment capability of Indian lands within, under, or served by the Central Arizona Project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 464), and such costs as are beyond repayment capability of such lands shall be nonreimbursable.

SEC. 5. (a) There is hereby established a separate fund in the Treasury of the United States, to be known as the Lower Colorado River Basin Development Fund (hereafter called the "Development Fund"), which shall remain available until expended as hereafter provided, for carrying out the provisions of section 2 of this Act, and to be expended or applied in connection with water conservation and development for the Lower Colorado River Basin as may hereafter be prescribed by the Congress.

(b) All appropriations made for the purpose of carrying out the aforesaid provisions of section 2, and such projects as are hereafter authorized by the Congress for water conservation and development for the Lower Colorado River Basin, shall be credited to the Development Fund as advances from the general fund of the Treasury and shall be available for such purposes.

(c) There shall also be credited to the Development Fund—

(1) All revenues collected in connection with the operation of the works and facilities authorized pursuant to section 2 and hereafter authorized in furtherance of the purposes of this Act (except entrance, admission, and other recreation fees or charges and proceeds received from recreation concessionnaires); and

(2) All Federal revenues from the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of the said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of those projects: *Provided, however,* That the Secretary is authorized and directed to continue the in-lieu-of-taxes payments to the States of Arizona and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon Project.

(3) All Federal revenues from the portion of the Pacific Northwest-Pacific Southwest intertie, located in the States of Nevada and Arizona which, after completion of repayment requirements of the said part of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said portion of the Pacific Northwest-Pacific Southwest intertie and related facilities.

(d) All revenues collected and credited to the development fund pursuant to this Act shall be available, without further appropriation, for—

(1) defraying the costs of operation, maintenance, and replacements of, and emergency expenditures for, all facilities of the project within such separate limitations as may be included in annual appropriation Acts;

(2) payments, if any, as required by section 8 of this Act;

(3) payments as required by subsection (f) of this section; and

(4) payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 2 of this Act.

(e) Revenues credited to the Development Fund shall not be available for construction of the works authorized pursuant to section 2 of this Act except on appropriation by the Congress.

(f) Revenues in the Development Fund in excess of the amount necessary to meet the requirements of clauses (1), (2), and (4) of section (d) of this section shall be paid annually to the general fund of the Treasury to return—

(1) the costs of the project or separable feature thereof, authorized pursuant to section 2 of this Act which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act, within a period not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law: and

(2) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance with the provisions of subsection (g) of this section, and interest due shall be a first charge.

(g) The interest rate applicable to those portions of the reimbursable costs of the Central Arizona Project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such project, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

(h) Business-type budgets shall be submitted to the Congress annually for all operations financed by the development fund.

SEC. 6. The Secretary may undertake programs for water salvage along and adjacent to the main stream of the Colorado River and for ground water recovery. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary.

SEC. 7. (a) In order to provide for the construction, operation, and maintenance of the Animas-La Plata Federal reclamation project, Colorado-New Mexico; the Dolores, Dallas Creek, West Divide, and San Miguel Federal reclamation projects, Colorado, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), and to provide for the completion of planning reports on other participating projects, subsection (2) of section 1 of said Act is hereby further amended by deleting the words "Pine River extension", and inserting in lieu thereof the words "Animas-La Plata, Dolores, Dallas Creek, West Divide, San Miguel". Section 2 of said Act is hereby further amended by deleting the words "Parshall, Troublesome, Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers extension, Animas-La Plata", and inserting after the words "Yellow Jacket" the words "Basalt, Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East

River, Ohio Creek, and Tomichi Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units)", and by inserting after the word "Sublette" the words "(including the Kendall Reservoir on Green River and a diversion of water from the Green River to the North Platte River Basin in Wyoming), Uintah unit and Ute Indian unit of the central Utah, San Juan County (Utah), Price River, Grand County (Utah), Ute Indian unit extension of the central Utah, Gray Canyon, and Juniper (Utah)". The amount which section 12 of said Act authorizes to be appropriated is hereby further increased by the sum of \$360,000,000 plus or minus such amounts, if any, as may be required, by reason of changes in construction costs as indicated by engineering cost indexes applicable to the type of construction involved. This additional sum shall be available solely for the construction of the projects herein authorized.

(b) The Animas-La Plata Federal reclamation project shall be constructed and operated in substantial accordance with the engineering plans set out in the report of the Secretary transmitted to the Congress on May 4, 1966, and printed as House Document 436. Eighty-ninth Congress: *Provided*, That the project construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

"ANIMAS-LA PLATA PROJECT COMPACT

"The State of Colorado and the State of New Mexico, in order to implement the operation of the Animas-La Plata Federal Reclamation Project, Colorado-New Mexico, a proposed participating project under the Colorado River Storage Project Act (70 Stat. 105), and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and have agreed upon the following articles:

"ARTICLE I

"A. The right to store and divert water in Colorado and New Mexico from the La Plata and Animas River systems, including return flow to the La Plata River from Animas River diversions, for uses in New Mexico under the Animas-La Plata Federal Reclamation Project shall be valid and of equal priority with those rights granted by decree of the Colorado state courts for the uses of water in Colorado for that project, providing such uses in New Mexico are within the allocation of water made to that state by articles III and XIV of the Upper Colorado River Basin Compact (63 Stat. 31).

"B. The restrictions of the last sentence of Section (a) of Article IX of the Upper Colorado River Basin Compact shall not be construed to vitiate paragraph A of this article.

"ARTICLE II

"This Compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States."

(c) The Secretary shall, for the Animas-La Plata, Dolores, Dallas Creek, San Miguel, West Divide, and Seedska-dee participating proj-

ects of the Colorado River storage project, establish the nonexcess irrigable acreage for which any single ownership may receive project water at one hundred and sixty acres of class 1 land or the equivalent thereof, as determined by the Secretary, in other land classes.

(d) The words "any western slope appropriations" contained in paragraph (i) of that section of Senate Document Numbered 80, Seventy-fifth Congress, first session, entitled "Manner of Operation of Project Facilities and Auxiliary Features," shall mean and refer to the appropriation heretofore made for the storage of water in Green Mountain Reservoir, a unit of the Colorado-Big Thompson Federal reclamation project, Colorado; and the Secretary is directed to act in accordance with such meaning and reference. It is the sense of Congress that this directive defines and observes the purpose of said paragraph (i), and does not in any way affect or alter any rights or obligations arising under said Senate Document Numbered 80 or under the laws of the State of Colorado.

SEC. 8. The Upper Colorado River Basin fund established under section 5 of the Act of April 11, 1956 (70 Stat. 107), shall be reimbursed from the Colorado River development fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 774), for all expenditures heretofore or hereafter made from the Upper Colorado River Basin fund to meet deficiencies in generation at Hoover Dam during the filling period of reservoirs of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose \$500,000 for each year of operation of Hoover Dam and powerplant, commencing with the enactment of this Act, shall be transferred from the Colorado River development fund to the Upper Colorado River Basin fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin fund from net revenues derived from the sale of electric energy generated at Hoover Dam.

SEC. 9. Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River compact (45 Stat. 1057), the Upper Colorado River Basin compact (63 Stat. 31), the water treaty of 1944 with the United Mexican States (Treaty Series 994), the decree entered by the Supreme Court of the United States in Arizona against California and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774), or the Colorado River Storage Project Act (70 Stat. 105).

SEC. 10. The Secretary is directed to—

(a) make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1965. Such reports shall include a detailed breakdown of the beneficial consumptive use of water on a State-by-State basis. Specific figures on quantities consumptively used from the

major tributary streams flowing into the Colorado River shall also be included on a State-by-State basis. Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and to the Governors of each State signatory to the Colorado River compact;

(b) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River compact.

SEC. 11. (a) The Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River Storage Project Act and the Boulder Canyon Project Act, consistent with the provisions of those statutes, the Boulder Canyon Project Adjustment Act, the Colorado River compact, the Upper Colorado River compact and the Mexican Water Treaty. To effect in part the purposes expressed in this paragraph, the criteria shall make provision for the storage of water in storage units of the Colorado River storage project and releases of water from Lake Powell in the following listed order of priority:

(1) Releases to supply one-half the deficiency described in article III(c) of the Colorado River compact, if any such deficiency exists and is chargeable to the States of the upper division.

(2) Releases to comply with article III(d) of the Colorado River compact.

(3) Storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three lower division States and taking into consideration all relevant factors (including, but not limited to, historic streamflows, the most critical period of record, and probabilities of water supply), shall find to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River compact: Provided, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the lower division to the uses specified in article III(e) of the Colorado River compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

(b) Not later than July 1, 1968, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the Governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than January 1, 1969, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1970, and yearly thereafter, the Secretary shall transmit to the Congress and to the

Governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the Governors of the seven Colorado River Basin States and appropriate consultation with such State representatives as each Governor may designate.

(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

SEC. 12. (a) Rights of the upper basin to the consumptive use of water apportioned to that basin from the Colorado River system by the Colorado River compact shall not be reduced or prejudiced by any use of such water in the lower basin.

(b) Nothing in this Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission.

SEC. 13. Part I of the Federal Power Act (41 Stat. 1063; 16 U.S.C. 791a-823) shall not be applicable to the reach of the Colorado River between Lake Mead and the present western boundary of the Grand Canyon National Park until and unless otherwise provided by Congress.

SEC. 14. Except as otherwise provided in this Act in constructing, operating, and maintaining the Central Arizona Project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388 and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

SEC. 15. (a) All terms used in this Act which are defined in the Colorado River compact shall have the meanings there defined.

(b) "Main stream" means the main stream of the Colorado River downstream from Lee Ferry within the United States, including the reservoirs thereon.

(c) "User" or "water user" in relation to main stream water in the lower basin means the United States, or any person or legal entity, entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), to use main stream water when available thereunder.

(d) "Active storage" means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works.

(e) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming.

SEC. 16. There is hereby authorized to be appropriated for construction of the Central Arizona Project, including prepayment for power generation and transmission facilities, but exclusive of distribution and drainage facilities for non-Indian lands, \$768,000,000 (October 1963 prices) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein, and not to exceed \$100,000,000 for construction of distribution and drainage facilities for non-Indian lands and, in addition

thereto, such sums as may be required for operation and maintenance of the project.

I. INTRODUCTION

The Subcommittee on Water and Power Resources of the Committee on Interior and Insular Affairs of the U.S. Senate, 90th Congress, first session, held hearings on May 2-5, 1967, on S. 1004 and related bills. The principal purpose of S. 1004, as introduced by Senator Hayden (for himself, Senators Fannin, Cannon, and Jackson) on February 16, 1967, was to authorize the construction, operation, and maintenance of the Central Arizona Project, Arizona-New Mexico. The Central Arizona Project is designed to enable the State of Arizona to put to beneficial use waters from the main stream of the Colorado River which it is presently unable to use because of a lack of diversion works, and to thereby meet a critical need for a supplemental water supply in the densely populated central portion of the State.

The bill as reported also authorizes five reclamation projects in the Upper Colorado River Basin; establishes a Lower Colorado River Basin development fund; and includes provisions concerning river regulation and reservoir-operating criteria which were agreed upon by representatives of the Colorado River Basin States during recent years.

The bill was presented directly to the full Committee on Interior and Insular Affairs for executive consideration on June 9, 1967. Following 6 days of executive sessions on June 9, 22, 23, 27, 28, and 29, 1967, the committee ordered S. 1004, as amended, reported favorably to the Senate.

The central feature of this bill—the Central Arizona Project—has been approved by the Senate twice in previous Congresses. (For a detailed discussion of the legislative history of the Central Arizona Project, see sec. V of this report.)

II. COMMITTEE RECOMMENDATION

Based on a careful consideration of all the issues, all of the alternatives, and the needs of the State of Arizona and the Colorado Basin States, the committee strongly recommends that the Senate pass S. 1004, as amended, and as reported by the committee.

III. SUMMARY

S. 1004 provides the framework for continued and expanded regional water resource development and planning in the Lower Colorado River Basin.

Major features of the bill include:

(1) The Central Arizona Project with Hooker Dam and Reservoir in New Mexico. The essential project facilities consist of an aqueduct system to convey Colorado River water to central Arizona together with the necessary regulating reservoirs and works. In brief, these are: The Granite Reef aqueduct and pumping plants; the Salt Gila aqueduct and pumping plant; Orme Dam and Reservoir; Tucson aqueduct

and pumping plants (Colorado River source); Buttes Dam and Reservoir; Hooker Dam and Reservoir (New Mexico); Charleston Dam and Reservoir; Tucson aqueduct (San Pedro River source). The total cost of the project, exclusive of the power prepayment arrangements described below, is \$665,237,000. Under Reclamation law the reimbursable cost of the project will be returned to the Treasury over a 50-year repayment period. A detailed description of the Central Arizona Project features is found in section VII of this report.

The Granite Reef aqueduct will require a high-lift initial pumping plant at Lake Havasu and a series of lower lift pumping plants at appropriate places along the way.

(2) The Secretary of the Interior is authorized to purchase the pumping power required for the Central Arizona Project, through prepayment arrangements, from non-Federal interests (private and public utilities in the Southwest), who will own, construct and operate a large fossil fuel thermal generating plant. Bureau of Reclamation estimates indicate that the project will require approximately 470 megawatts of electrical pumping power. The United States will also acquire the right to have the power delivered to the places of use on jointly shared transmission facilities where available. The total cost for prepayment of the electrical power to be used by the projects is \$103,210,000. The Central Arizona Project would repay to the Treasury the full amount of the prepayment costs with appropriate interest, and would also pay the annual operating costs. A detailed description of the arrangements for prepayment for the electrical power is found in sections 2(b)(1) to 2(b)(2) of the section-by-section analysis of this report.

(3) The authority of the Federal Power Commission to license hydroelectric projects on the Colorado River, between Lake Mead and the present western boundaries of the Grand Canyon National Park, is suspended subject to future action by the Congress.

The Central Arizona Project does not require the construction of a new dam on the Colorado River for water supply, pumping power, or for the sale of power to gain revenues for the development fund.

Therefore, the committee finds that decisions affecting the future of this stretch of the Colorado River should be reserved for later action by the Congress. An evaluation by the National Water Commission as recommended by the Bureau of the Budget and the Department of the Interior in their February 15 and April 28 reports, will be useful in making wise judgments affecting this important natural resource.

(4) A Lower Colorado River Basin development fund is established into which will be placed: (1) all revenues collected in connection with the operation of the works authorized in this bill; (2) all surplus Federal revenues from the Hoover and Parker-Davis projects after they are paid for; and (3) all surplus Federal revenues from the portion of the Pacific Northwest-Pacific Southwest power intertie located in the States of Arizona and Nevada after completion of repayment requirements.

Balances in the development fund for selected future dates, after having provided financial assistance in the sum of \$122 million to the

Central Arizona Project, and not considering possible assistance to the Dixie project (\$25 to \$30 million), are as follows:

Year :	<i>Balance</i>
2025 -----	\$377, 302, 000
2047 -----	1, 186, 612, 000
2050 -----	1, 281, 921, 000

Following payout of the Central Arizona Project in the year 2025, the project would, by the year 2050, repay this money plus an additional \$315 million. The balance of the revenues in the development fund are "to be expended or applied in connection with water conservation and development for the Lower Colorado River Basin" as determined by future acts of the Congress.

(5) Five Upper Basin projects, the Animas-LaPlata project in Colorado and New Mexico, and the Dolores, Dallas Creek, West Divide, and San Miguel projects in Colorado, are authorized for construction, operation, and maintenance.

The total cost of these projects is \$360 million. The portion of these costs which are reimbursable under reclamation law will be repaid to the Treasury.

(6) A priority is given to the State of California for 4.4 million acre-feet annually of Colorado River water (the maximum California entitlement out of the Lower Basin 7.5 million acre-feet apportionment under the Colorado River compact). This water priority is limited to a period of 27 years to coincide with the repayment period of the original bonds issued for the construction of the Metropolitan Water District aqueduct built to convey water from the Colorado River to Los Angeles and San Diego.

(7) Upper Basin benefits in addition to the five projects mentioned in paragraph (5) include—

(a) repayments to the Upper Colorado River Basin fund for payments made from that fund to compensate for power deficiencies at Hoover Power Plant resulting from the filling of the Glen Canyon Dam;

(b) provision for the promulgation of equitable criteria for the coordinated long-range operation of reservoirs constructed in both the Upper Basin and the Lower Basin;

(c) provision for the completion of planning reports on proposed projects in the Upper Basin located in Colorado, Wyoming, and Utah;

(d) the integration of the Dixie project in Utah for purposes of participation in the development fund (the Dixie project is in the Lower Basin; however, Utah is primarily an Upper Basin State);

(e) related fish, wildlife, and recreation benefits inuring both to the Upper Colorado River Basin from the construction of projects there as well as to New Mexico and Arizona.

IV. GENERAL HISTORY AND LAW OF THE COLORADO RIVER

Much of the Colorado River Basin, and particularly the Lower Basin, is heavily dependent upon the waters of the Colorado River to make the area habitable and productive. For some 60 years, the efficient

use and regulation of the river for the purposes of reclamation, flood control, and production of electric power has been a matter of concern to all of the States through which the river flows. Through State and Federal reclamation projects, much of the virgin flow of the Colorado River has been put to beneficial consumptive use within the States bordering the Colorado. Additional projects, including the Central Arizona Project and the five Upper Basin projects proposed in this bill, are essential to enable the Colorado Basin States to put their fair share of Colorado River water to beneficial use.

As the uses of Colorado River water increased over the years, particularly in the State of California, the other basin States have endeavored to secure their rights to main stream Colorado River water in the fear that California would appropriate to her permanent and exclusive use a disproportionate share of the waters of the river to the detriment of the more slowly developing States of the basin. These bitter and continuing disputes between the basin States have not been easily resolved and the present development of the river resource is the product of years of protracted negotiations and litigation. The continuing dispute between Arizona and California over their respective rights to the waters of the Colorado has, for many years, created an insurmountable obstacle to the passage of legislation to authorize the construction of the Central Arizona Project and related facilities. (See sec. V of this report for a discussion of the Central Arizona Project's congressional history.)

The following is a brief description of the more significant milestones in the development of the Colorado River.

A. COLORADO RIVER COMPACT

Negotiations between the States of the Colorado River Basin led to the general agreement that an interstate compact between the basin States would provide the best means to an acceptable and equitable apportionment of the river and would give the States of the Upper Basin the protection they desired.

Congress consented to the negotiations by legislation enacted in 1921 (42 Stat. 171) and the first meeting of the Colorado River Compact Commission was convened in January 1922. Initially, it had been hoped that an agreement could be reached to apportion all of the water of the Colorado River among the States in the basin. It soon became apparent, however, that this was impossible. It was concluded that only a division of water between the Upper and Lower Basin could be accomplished by agreement under the compact.

Final agreement was reached and the compact was signed on November 24, 1922. (See 70 Cong. Rec. 324 (1928); "U.S. Department of the Interior, Documents on the Use and Control of the Waters of Interstate and International Streams," p. 39 (1956).)

In general, the compact provides for a division of the waters of the Colorado River between the Upper and Lower Basin States. The provisions relating to the apportionment between the Upper and Lower Basin are found in article III which provides as follows:

(a) There is hereby apportioned from the Colorado River System in perpetuity to the Upper Basin and to the Lower

Basin, respectively, the exclusive beneficial consumptive use of 7,500,000 acre-feet of water per annum, which shall include all water necessary for the supply of any rights which may now exist.

(b) In addition to the apportionment in paragraph (a) the Lower Basin is hereby given the right to increase its beneficial consumptive use of such waters by one million acre-feet per annum.

(c) If, as a matter of international comity, the United States of America shall hereafter recognize in the United States of Mexico any right to use of any waters of the Colorado River System, such waters shall be supplied first from the waters which are surplus over and above the aggregate of the quantities specified in paragraphs (a) and (b); and if such surplus shall prove insufficient for this purpose, then, and whenever necessary the States of the Upper Division shall deliver at Lee Ferry water to supply one-half of the deficiency so recognized in addition to that provided in paragraph (d).

(d) The States of the Upper Division will not cause the flow of the river at Lee Ferry to be depleted below an aggregate of 75,000,000 acre-feet for any period of ten consecutive years reckoned in continuing progressive series beginning with the first day of October next succeeding the ratification of this compact.

(e) The States of the Upper Division shall not withhold water, and the States of the Lower Division shall not require the delivery of water, which cannot reasonably be applied to domestic and agricultural uses.

By April 1923, all of the Colorado Basin States, except Arizona, had ratified the compact. Efforts to obtain a seven-State ratification of the compact and a basis for an agreement on the division of the water of the Lower Basin continued until 1928. Neither effort was successful by that date.

Arizona subsequently ratified the compact in 1944.

B. BOULDER CANYON PROJECT ACT AND THE CALIFORNIA LIMITATION ACT

In the Boulder Canyon Project Act (45 Stat. 1057 (1928); 43 U.S.C. 617 (1964)), Congress approved the Colorado River compact and waived the compact requirement for seven-State approval. A Presidential proclamation declaring the compact and the Boulder Canyon Project Act to be in effect was issued June 25, 1929 (46 Stat. 3000).

The Boulder Canyon Project Act, while waiving the requirement for seven-State approval, did provide that, in the absence of such approval, the compact would become effective only when approved by California and at least five of the other basin States. It further provided that California would be required to agree "irrevocably and unconditionally" to limit its consumptive use of Colorado River water to an amount not to exceed 4.4 million acre-feet per year of the waters apportioned to the Lower Basin by article III(a) of the com-

pact, plus not more than one-half of any excess or surplus unapportioned by the compact.

California met the requirement imposed on it by passing the California Limitation Act (California Statutes 1929, p. 38) on March 4, 1929. By this act, California agreed to limit the aggregate annual consumptive use (diversions less returns to the river) of water from the Colorado River to 4.4 million acre-feet of water out of the 7.5 million acre-feet of water allocated to the Lower Basin by article III (a) of the Colorado River compact, plus not more than one-half of any excess or surplus waters unapportioned by the compact.

Thus, the Boulder Canyon Project Act, together with the California Limitation Act, reserved Lower Basin main stream water for the States of Arizona and Nevada, and provided protection to the Upper Basin States against unlimited development beyond the allocated 4.4 million acre-feet in the State of California.

The Boulder Canyon Project Act also authorized the Lower Basin States to enter into a more comprehensive apportionment agreement on the suggested basis of 4.4 million acre-feet for beneficial consumptive use in California, 2.8 million acre-feet in Arizona and 0.3 million acre-feet in Nevada. These States were unable to agree on a division of Colorado River waters on the basis of these (or any other) figures. Nonetheless, subsequent contracts entered into between the Secretary of the Interior and entities in California, Arizona, and Nevada for water in these quantities were held to be the binding apportionment of main-stream water by the 1963 Supreme Court decision in *Arizona v. California* (373 U.S. 546 (1963)).

C. MEXICAN WATER TREATY

Article III (c) of the Colorado River Compact of 1922 contemplated the future recognition by the United States of the right of Mexico to a share of Colorado River water. Treaty negotiations were authorized by the Congress in 1925 and actually attempted in 1930, but were not successful. Ultimately, however, a treaty was consummated on February 3, 1944 (59 Stat. 1219). The treaty guarantees to Mexico the right to receive 1.5 million acre-feet of water annually. It also provides that in times of surplus the United States will endeavor to deliver up to 1.7 million acre-feet and in times of extraordinary drought on the river, the 1.5 million acre-feet entitlement may be reduced in proportion to the reduction of consumptive uses which occur in the United States.

D. UPPER COLORADO RIVER BASIN COMPACT

On October 11, 1948, following extended negotiations, the States of the Upper Basin agreed to a division of the waters allocated to the Upper Basin by an interstate compact. Under the compact, 50,000 acre-feet per annum was apportioned to Arizona (a small portion of Arizona is situated in the Upper Basin) and the remainder of the Upper Basin entitlement was apportioned by percentage, as follows:

	Percent
Colorado -----	51.75
New Mexico -----	11.25
Utah -----	23.00
Wyoming -----	14.00

For the official text of the Upper Basin compact see 63 Stat. 31 (1949). It is also reprinted in "U.S. Department of Interior, Documents on the Use and Control of the Waters of Interstate and International Streams," 218 (1956).

E. ARIZONA WATER CONTRACT

Following the completion of construction of Hoover Dam (then called Boulder Dam) the United States, acting through the Secretary of the Interior, entered into a contract for the delivery of water to the State of Arizona. The United States had already entered into contracts with users in California, and into a contract with the State of Nevada. The Arizona contract was dated February 9, 1944, and became effective on February 24, 1944. The contract provided for the delivery of a maximum of 2.8 million acre-feet per annum by the United States to agencies or water users within the State of Arizona who entered into appropriate contracts with the United States. The contract also provided that all consumptive use of mainstream Colorado River water within the State should be deemed pro tanto a discharge of the obligations of the contract. A portion of the 2.8 million acre-feet is being put to use at the present time by users along the river, principally in the vicinity of Yuma, Ariz.

F. CONGRESSIONAL MORATORIUM ON THE CENTRAL ARIZONA PROJECT

The continuing dispute between Arizona and California over their respective rights to the waters of the Colorado River has in the past constituted an unsurmountable obstacle to the passage of bills to authorize construction of the Central Arizona Project (see sec. V of this report for a discussion of the project's congressional history). On April 18, 1951, the Committee on Interior and Insular Affairs of the House of Representatives, during deliberations on the Central Arizona Project, adopted a resolution providing that consideration of further bills relating to the Central Arizona Project

be postponed until such time as use of the waters in the Lower Colorado River Basin is either adjudicated or binding or mutual agreement as to the use of the waters is reached by the States of the Lower Colorado River Basin.

Shortly after this resolution was adopted, an action was instituted in the Supreme Court of the United States by the State of Arizona against the State of California to obtain such an adjudication.

G. SUPREME COURT DECISION AND DECREE

Arizona v. California (373 U.S. 546), was filed in 1952, as an original action in the Supreme Court of the United States, by Arizona against California and seven of the latter's public agencies. Arizona's purpose was to secure an adjudication of its water rights as required by the aforementioned resolution. The United States and Nevada later intervened, and New Mexico and Utah were joined as additional parties on the motion of California.

The principal issue in this litigation concerned the relative entitlement of California and Arizona to the use of water from the Colorado River. After lengthy preliminary proceedings, the matter was heard by Simon H. Rifkind, Esq., as special master appointed by the Supreme Court. The trial before Judge Rifkind began on June 14, 1956, and ended August 28, 1958; some 340 witnesses were heard orally or upon deposition and approximately 25,000 pages of transcript were filled.

The Master reported his findings and his recommended decree to the Supreme Court on January 16, 1961. The Court heard arguments on January 8-11, 1962, and required a reargument on November 13-14, 1962. The opinion of the Court was rendered June 3, 1963 (373 U.S. 546). The Court's decree carrying its opinion into effect was entered on March 9, 1964 (376 U.S. 340).

The first major aspect of the decision involved the question of whether the Lower Basin allocation of 7.5 million acre-feet includes only the water in the main stream, or whether it also includes the water in the tributaries, such as the Gila. The Court held on this issue that Congress in the Boulder Canyon Project Act of 1928 divided only the main stream of the Colorado River and not the main stream and tributaries. Thus, Arizona's uses of the waters of the tributaries in that State do not diminish her entitlement of 2.8 million acre-feet from the main stream.

The second major aspect of the decision involved the allocation of shortages. The Court held and decreed that under the Boulder Canyon Project Act of 1928 and the contracts made by the Secretary pursuant to that act, Arizona is entitled 2,800,000 acre-feet, California is entitled 4,400,000 acre-feet, and Nevada is entitled 300,000 acre-feet if sufficient water is available to satisfy 7,500,000 acre-feet of annual consumptive use from waters of the main stream of the Colorado River without regard to the Lower Basin tributaries.

If there is insufficient main stream water available to satisfy the annual consumptive use of 7,500,000 acre-feet in Arizona, California, and Nevada, the Secretary of the Interior must (1) satisfy "present perfected rights" (i.e. those existing as of June 25, 1929—the date of the Presidential proclamation making the Boulder Canyon Project Act effective) in order of priority and without regard to State lines; and (2) apportion any amount remaining for consumptive use "* * *" in such manner as is consistent with the Boulder Canyon Project Act as interpreted by the opinion of this Court herein, and with other applicable Federal statutes."

As interpreted by the Court, the Boulder Canyon Project Act does not provide a priority to existing uses except in the recognition and protection of "present perfected rights," existing as of June 25, 1929.

With respect to this issue the Court said:

There remains the question of what shall be done in time of shortage. The Master, while declining to make any findings as to what future supply might be expected, nevertheless decided that the Project Act and the Secretary's contracts require the Secretary in case of shortage to divide the burden among the three States in this proportion: California 4.4/7.5; Arizona 2.8/7.5; Nevada .3/7.5. While pro rata sharing of water short-

ages seems equitable on its face,¹ more considered judgment may demonstrate quite the contrary. Certainly we should not bind the Secretary to this formula. We have held that the Secretary is vested with considerable control over the apportionment of Colorado River waters. And neither the Project Act nor the water contracts require the use of any particular formula for apportioning shortages. While the Secretary must follow the standards set out in the Act, he nevertheless is free to choose among the recognized methods of apportionment or to devise reasonable methods of his own. This choice, as we see it, is primarily his, not the Master's or even ours. And the Secretary may or may not conclude that a pro rata division is the best solution.

It must be remembered that the Secretary's decision may have an effect not only on irrigation uses but also on other important functions for which Congress brought this great project into being—flood control, improvement of navigation, regulation of flow, and generation and distribution of electric power. Requiring the Secretary to prorate shortages would strip him of the very power of choice which we think Congress, for reasons satisfactory to it, vested in him and which we should not impair or take away from him. For the same reasons we cannot accept California's contention that in case of shortage each State's share of water should be determined by the judicial doctrine of equitable apportionment or by the law of prior appropriation. These principles, while they may provide some guidance, are not binding upon the Secretary where, as here, Congress, with full power to do so, has provided that the waters of a navigable stream shall be harnessed, conserved, stored, and distributed through a government agency under a statutory scheme.

None of this is to say that in case of shortage, the Secretary cannot adopt a method of proration or that he may not lay stress upon priority of use, local laws and customs, or any other factors that might be helpful in reaching an informed judgment in harmony with the Act, the best interests of the Basin States, and the welfare of the Nation. It will be time enough for the courts to intervene when and if the Secretary, in making apportionments or contracts, deviates from the standards Congress has set for him to follow, including his obligation to respect "present perfected rights" as of the date the Act was passed. At this time the Secretary has made no decision at all based on an actual or anticipated shortage of water, and so there is no action of his in this respect for us to review. Finally, as the Master pointed out, Congress still has broad powers over this navigable international stream. Congress can undoubtedly reduce or enlarge the Secretary's power if it wishes. Unless and until it does, we leave in the hands of the Secretary, where Congress placed it, full power to control, manage, and operate the Govern-

¹ Proration of shortage is the method agreed upon by the United States and Mexico to adjust Mexico's share of Colorado River water should there be insufficient water to supply each country's apportionment.

ment's Colorado River works and to make contracts for the sale and delivery of water on such terms as are not prohibited by the Project Act.

Under the opinion and the decree of the Supreme Court California's entitlement of 4.4 million acre-feet per annum is neither superior nor subordinate to Arizona's entitlement of 2.8 million acre-feet per annum nor to Nevada's 300,000 acre-feet per annum. The rights of these States are of equal dignity. Under the Supreme Court's opinion and decree, except as Congress otherwise directs, if and when a shortage occurs it will be the responsibility of the Secretary to apportion that shortage on the basis of "an informed judgment in harmony with the act, the best interests of the basin States, and the welfare of the Nation."

Any apportionment made by the Secretary is subject to applicable Federal law. Section 2(a) of S. 1004 includes a directive to the Secretary to accord the State of California a 4.4 million acre-feet priority for 27 years over diversions for the Central Arizona Project.

V. HISTORY OF THE CENTRAL ARIZONA PROJECT

The Central Arizona Project has a long history with Arizona's desire to use her share of the waters of the Colorado River in central Arizona dating back to at least 1918.

A. PROJECT PLANNING REPORTS

In 1944, Arizona entered into a contract with the Bureau of Reclamation for a \$400,000 cooperative investigation of the means for utilizing Colorado River water in the State. As a result of these investigations, a plan for a Central Arizona Project was developed and a Bureau of Reclamation report was submitted to the Secretary of the Interior in December of 1947.

The original plan was updated by the Bureau of Reclamation in an appraisal report, dated January 1962, prepared for the State of Arizona. The report was further refined and reevaluated in a Bureau of Reclamation supplement to the 1947 report dated 1963.

Information on the water supply, conveyance, and regulation features of the Central Arizona Project was extracted from earlier reports and presented in the supplemental information report on Central Arizona Project, January 1964, a supplement to the Pacific Southwest Water Plan, which was also approved by the Secretary of the Interior in January 1964. A report entitled "Summary Report—Central Arizona Project with Federal Prepayment Power Arrangements, February 1967" was transmitted to the House and Senate Interior and Insular Affairs Committees by the Secretary on March 2, 1967, to supplement his letter of February 15, 1967, to the Vice President transmitting the administration's draft of a proposed bill.

The conceptual framework and principal objectives of the Central Arizona Project have remained substantially unchanged since the 1947 report. Details of the project plan, repayment and specific features have been changed, however, to reflect negotiations among the States, legal decisions, and additional studies which have taken place. The most notable of the changes in plan is that the Bridge Canyon

(later Hualapai) Dam, powerplant, and associated silt retention dams and power transmission facilities, which were included as features of the Central Arizona Project in the 1947 report were excluded from the plan presented in the 1964 supplement. These features had been included as a separate unit in the Pacific Southwest water plan. Assistance to irrigation repayment which in the 1947 report was to be provided from power revenues from the dam was derived from a basin development fund in the January 1964 supplement. The summary report on February 1967, proposed that the United States, by prepayment, purchase an entitlement to delivery of a portion of the electrical output of a non-Federally owned and constructed thermal powerplant to supply the pumping power requirements of the Central Arizona Project. The summary report also includes a repayment proposal based upon water charges, an ad valorem tax, and project revenues.

B. PROPOSED LEGISLATION

1. PRIOR TO THE 88TH CONGRESS

Congressional consideration of the Central Arizona Project first began in the 78th Congress when hearings were held on S.J. Res. 304.

Further hearings were held during the 79th Congress on bills to authorize a project similar to that now under consideration but no action was taken pursuant to the hearings.

Bills to authorize the Central Arizona Project were again introduced in the 80th Congress. Hearings on S. 1175 to authorize the Bridge Canyon project, later called the Central Arizona Project, were held by the Senate Committee on Public Lands in June and July of 1947, but no further action was taken. In the 81st Congress bills were introduced and hearings were held in both Houses. The Senate passed S. 75 in the second session (Feb. 21, 1950) but no bill was reported by the House committee.

Bills were reintroduced in the 82d Congress. The Senate committee reported a bill (again numbered S. 75) without hearings (Report No. 163) and it passed the Senate in the first session (June 5, 1951). The House Interior Committee also held hearings in the first session. On April 18, 1951, the Interior and Insular Affairs Committee of the House of Representatives adopted the resolution previously quoted which led to the *Arizona v. California* law suit.

Further efforts toward legislative action were suspended pending the outcome of the litigation. On June 3, 1963, the Supreme Court issued its opinion (373 U.S. 546) and on March 9, 1964, its decree (376 U.S. 340). The opinion and the decree of the Supreme Court are summarized elsewhere in this report. Bills to authorize the Central Arizona Project were again introduced in both Houses on June 4, 1963, the day following the announcement of the Court's opinion.

2. 88TH CONGRESS

In 1963, when the Supreme Court's opinion was handed down, no Central Arizona Project bills were before the Congress. The following day, June 4, 1963, S. 1658 was introduced by Senator Hayden. Hearings were held on S. 1658 before the Subcommittee on Irrigation

and Reclamation on August 27 and 28 and October 1 and 2. The day prior to these hearings, in response to a request made by Congressman Wayne Aspinall in January of 1963, the Secretary of the Interior transmitted a first draft of a Pacific Southwest Water Plan. Because the plan as presented on August 26 was in preliminary form, it was impractical for the committee to give full consideration to this plan during the 1963 hearings.

A second round of hearings was held by the Senate subcommittee beginning on April 9, 1964. At that time, the Secretary of the Interior presented to the subcommittee his final plan for the development of the water resources of the Pacific Southwest on a broad regional basis. That plan acknowledged the feasibility of the Central Arizona Project. The Secretary further submitted a draft of a bill to authorize the Pacific Southwest Water Plan. That bill provided for the development of the water resources of the entire Pacific Southwest, the establishment of a Pacific Southwest Development Fund, and the creation of a Pacific Southwest Regional Water Commission. From the discussion of that bill and S. 1658 as originally introduced by Senator Hayden, S. 1658 as originally introduced was amended to incorporate many of the principles contained in the bill as proposed by the administration. The amended bill was reported favorably by the subcommittee on July 27, 1964.

No hearings were held during the 88th Congress on the House bills to authorize the Central Arizona Project until after the sine die adjournment of the 88th Congress. On November 9, 1964, field hearings were held in Phoenix by the House Irrigation and Reclamation Subcommittee. All the pending bills expired with the close of the 88th Congress.

3. 89TH CONGRESS

During the 88th Congress and the subsequent congressional recess, negotiations were in progress among various interests in the States of the basin. Numerous bills were introduced in both Houses in the 89th Congress which reflected all or a portion of the compromises and agreements resulting from these negotiations, as well as portions of the regional development concepts of the Pacific Southwest water plan and the earlier S. 1658.

No action was taken by the Senate on Colorado River Basin legislation in the 89th Congress. The continuing negotiations were, however, reflected in action by the House Committee on Interior and Insular Affairs. The House Subcommittee on Irrigation and Reclamation held hearings in August and September of 1965 on H.R. 4671 and similar bills to authorize the Lower Colorado River Basin project. After further subcommittee hearings in May of 1966, the House committee favorably reported with numerous separate and dissenting views, H.R. 4671 as amended (Rept. No. 1849, 89th Cong., second sess.).

This bill was regional in scope and raised a number of issues of national concern. The bill included the authorization of the Central Arizona Project; establishment of a National Water Commission; provisions for augmentation studies, including studies of transbasin diversions of water; provision making the Mexican Treaty obligation a national obligation and satisfying the treaty requirements out of water to be imported from other river basins; authorization of Huala-

pai and Marble Canyon Dams; establishment of a basin development fund; provision of a 4.4 million acre-foot guarantee to California until augmentation could be accomplished; authorization of the Animas-La Plata, Dolores, Dallas Creek, San Miguel, and West Divide participating projects of the Upper Colorado River Basin project; and various other provisions reflecting the results of interstate negotiations. This bill was not acted upon further in the 89th Congress.

4. 90TH CONGRESS

Immediately after the 90th Congress convened, bills were once again introduced in both Houses to authorize the Central Arizona Project and versions of the Colorado River Basin project. The bills varied widely. Some were identical to or patterned closely after H.R. 4671 as reported by the House committee in the 89th Congress. Variations reflected attempts to achieve compromises on the points of opposition to earlier bills, or the dissolution of earlier agreements and compromises. Bills introduced in the Senate which were similar to H.R. 4671 were S. 861 (Kuchel), and S. 1242 (Allott), and S. 1409 (Moss).

On Feb. 15, 1967, the Secretary of the Interior transmitted to the Congress a draft of a proposed bill to authorize the Central Arizona Project which incorporated the administration's recommendation for Federal prepayment power arrangements. The administration bill was introduced in the Senate as S. 1013 (Senator Jackson) and similar power prepayment arrangements were included in S. 1004 as introduced by Senator Hayden (for himself, Senator Fannin, Cannon, and Jackson).

Hearings were held before the Senate Subcommittee on Water and Power Resources on bills to authorize the Central Arizona Project or Colorado River Basin projects on May 2-5, 1967. Subsequent executive sessions before the full committee were held on June 9, 22, 23, 27, 28, and 29.

On June 29, 1967, after it was determined that no further amendments would be offered to the bill, the committee ordered S. 1004 favorably reported to the Senate. The vote of the committee on reporting the bill was 14 to 3.

The committee's action in favorably reporting S. 1004 to the Senate represents a realistic appreciation of the soundness of the basic Federal power prepayment plan recommended by the Administration on Feb. 15, 1967. It also represents a realistic assessment of the critical water needs of central Arizona and the need to go forward with a plan which is capable both of doing the necessary job and of winning the support of the Congress, the administration, the Western States, and the Nation.

S. 1004 differs from H.R. 4671 (89th Cong.) and similar bills which were introduced again in the 90th Congress primarily on two points: First, the controversial and premature study provision which authorized reconnaissance and feasibility studies of the importation of water from outside the Colorado River Basin has been eliminated. Second, authorization of the controversial Marble Canyon and Hualapai Dams has been eliminated. The committee feels that the Hualapai Dam site and the importation questions require further study before

they can, consistent with the national interest, be seriously considered for Congressional authorization. The National Water Commission would appear to be the appropriate institutional vehicle to offer an objective and thorough evaluation of the policy implications, the alternatives and other factors related to both of these subjects.

The Central Arizona Project has been before eight Congresses (78th, 79th, 80th, 81st, 82d, 88th, 89th, and 90th), first in simple form; then in vastly complicated regional form, affecting some 13 States, including those of the Colorado River Basin, Texas, Kansas, and the States of the Pacific Northwest; and now, in S. 1004, in a form which constitutes a first step toward a broad approach to long-term Colorado River Basin water problems.

VI. NEED FOR THE CENTRAL ARIZONA PROJECT

Central Arizona is one of the fastest growing and most arid regions in the Nation. Historically, development in central Arizona lagged behind most regions in the Nation because of its remoteness and its arid climate. Recently, however, population and economic growth has advanced rapidly, resulting in the utilization of the area's dormant wealth in agriculture, mining, lumbering and tourist attractions.

The Lower Colorado River Basin, of which central Arizona is a vital part, produces more than a billion dollars worth of vital agricultural products annually. The fact that the Nation has this production now is highly important, but the prospect that the Nation might not have it in the future is alarming. Many specialty crops such as winter lettuce, citrus fruits, garden vegetables, dates and melons are produced in this area. Virtually all of the agriculture depends on irrigation.

A market exists for more produce of this kind than our domestic Southwest now grows. This is seen in the fact that the United States presently imports \$65 million worth of this type farm produce. These imports consist principally of winter vegetables (melons, tomatoes, peppers, peas, and so forth) from irrigated areas south of the Arizona and California borders.

Water is the key element that has made Arizona's economy strong and its spectacular recent growth possible. Without a permanent supply of water, much of this area would revert to desert. This is more than a future possibility, as it has already begun to happen in some areas of the State where water shortages are most critical.

The effects of declining water supply are first felt in the agricultural sector of an area's economy. Diminished yields, greater depths to ground water, lowered water quality, and higher costs are first felt by farmers. Cutbacks in irrigation adversely affect local businesses. Local business is the link with regional and national trade, and reductions are soon transmitted to other States and other areas. If Arizona's water problems are not resolved, repercussions will be manifested in the reduced outflow of agricultural products and the reduced inflow of farm machinery, fertilizers, and other farming inputs.

Urbanization is rapidly expanding in Arizona and in some areas is resulting in the loss of prime agricultural land. This is especially true in central Arizona, because the major metropolitan areas have sprung from towns in the irrigated farming areas, and the very economic base

which underlies the growth and vitality of these cities is being taken over in the population explosion. For example, the incorporated area of Phoenix, Ariz., has increased from 17.1 square miles to 222.7 square miles during the last 14 years. The demand for more agricultural land for industry, for business, for residences, for schools, parks, and recreation, will continue as the agriculture land base declines.

The committee feels that the transition from an agricultural economy dependent on irrigation to a strong, diversified industrial economy is inevitable. It is also desirable, because industrial and municipal uses of water will, in the long run, support a larger and more affluent population than will predominantly agricultural uses of water. And this is a very important consideration in an area which will probably always have to live within definite constraints on the availability of water supplies. Basic changes such as these in the structure and fabric of a region's economy and way of life do not normally occur overnight, however; and when they do, they are usually accompanied by tragic dislocations which disrupt the economy of the area, the well-being of its institutions and the security and the aspirations of its people.

The committee's approval and endorsement of S. 1004 is in part based on a recognition of the need for a gradual transition toward a predominantly municipal and industrial use of water. Accordingly, water supplied under the project is to supplement existing supplies and no new lands are to be irrigated. Water supplied by the Central Arizona Project will allow Arizona to utilize its share of Colorado River water awarded and decreed by the Supreme Court. It will also provide time to diversify the economy, to plan, and to implement procedures which will avoid the crises which too often accompany a region's realization that economic growth must take place within the confines of a limited water supply.

The outstanding growth of manufacturing in the past 10 years is partially a result of the contribution of agriculture which furnishes substantial quantities of the raw materials processed through the factories. The bulk of the growth in manufacturing, however, has resulted from expansion in products of the communications, space, and aircraft industries. This trend should continue in the future.

ARIZONA'S RANK BY 7 IMPORTANT INDEXES OF GROWTH

	Rank among States	Percent gain, 1953-63
Growth of manufacturing employment.....	1	97
Growth of nonagricultural employment.....	2	89
Growth of population.....	2	74
Growth of passenger car registrations.....	2	117
Growth of bank deposits.....	1	162
Growth of personal income.....	3	132
Growth of life insurance in force.....	2	360

Much of the water used in Arizona in the past has come from large ground water basins. Water stored in these reservoirs has accumulated over millions of years. Mining of this ground water resource (pumping of the ground water at a rate faster than it can be recharged naturally), has largely supported the area's growth.

In the desert, ground water recharge from precipitation is minimal. Historically, the major source of natural recharge came from rivers

flowing onto and across the desert. Today this recharge is restricted to exceptionally wet water years when the highly developed reservoir systems fill and surplus water can flow downstream into the recharge area. As the streamflow has been diverted from natural streams into canals and farmland the recharge from agriculture and municipal uses has increased. However, even with this recharge the current average annual rate of ground water decline in the area has been about 10 feet per year with a large portion of the area experiencing a decline of as much as 20 feet or more.

The average water table depth in 1940 was only about 70 feet below ground surface. By 1964 the average had dropped to 200 feet with depths as great as 500 feet. Pump lifts associated with these water table levels vary from 250 to 600 feet. Judging from the present rate of ground water withdrawal, the average water table can be expected to fall about 300 feet or lower by 1975; and this fall in water tables will be accompanied by corresponding increases in pumping lift from wells.

Water quality frequently becomes poor at greater depths because of deep deposits of salts and gypsum. This poor quality water must be diluted with better quality water from other sources to avoid salt concentrations which exceed the minimum agricultural and public health standards. In fact, a great deal of the water presently used in central Arizona now exceeds these minimum standards.

Because of pumping costs, poor water quality, and the physical limitations imposed by the variable nature of the underground storage, the entire volume of underground water cannot be considered available for use. The present net rate of overdraft of about 2 million acre-feet per year will drastically deplete this largely nonreplenishable resource before adequate water is available to bring supply and demand in balance.

Water use in Arizona in the past has been predominantly for agriculture. As late as 1960 more than 90 percent of the water used in central Arizona was used for agricultural purposes. As the urban areas of Phoenix and Tucson expand, this relationship of water use is changing rapidly. The rate of change is expected to accelerate in the future as the population continues to expand and as industrial development increases.

Central Arizona Project water will be marketed through qualified contracting agencies, principally municipalities and irrigation districts. The chief immediate result of purchases of project water by either of these two types of users will be a reduction in present overdrafts on the ground water, which in turn will result in prolonged availability of water for all uses. The use of project water to satisfy the growing urban needs will slow the pace of the preemption of agricultural water which is now taking place.

In brief, the Central Arizona Project is needed to—

1. Reduce a dangerous overdraft upon ground water reserves.
2. Maintain as much as possible of the area's 1,250,000 acres of irrigated farm land.
3. Provide a source of additional water for municipal and industrial use that will be required during the next 30 years.

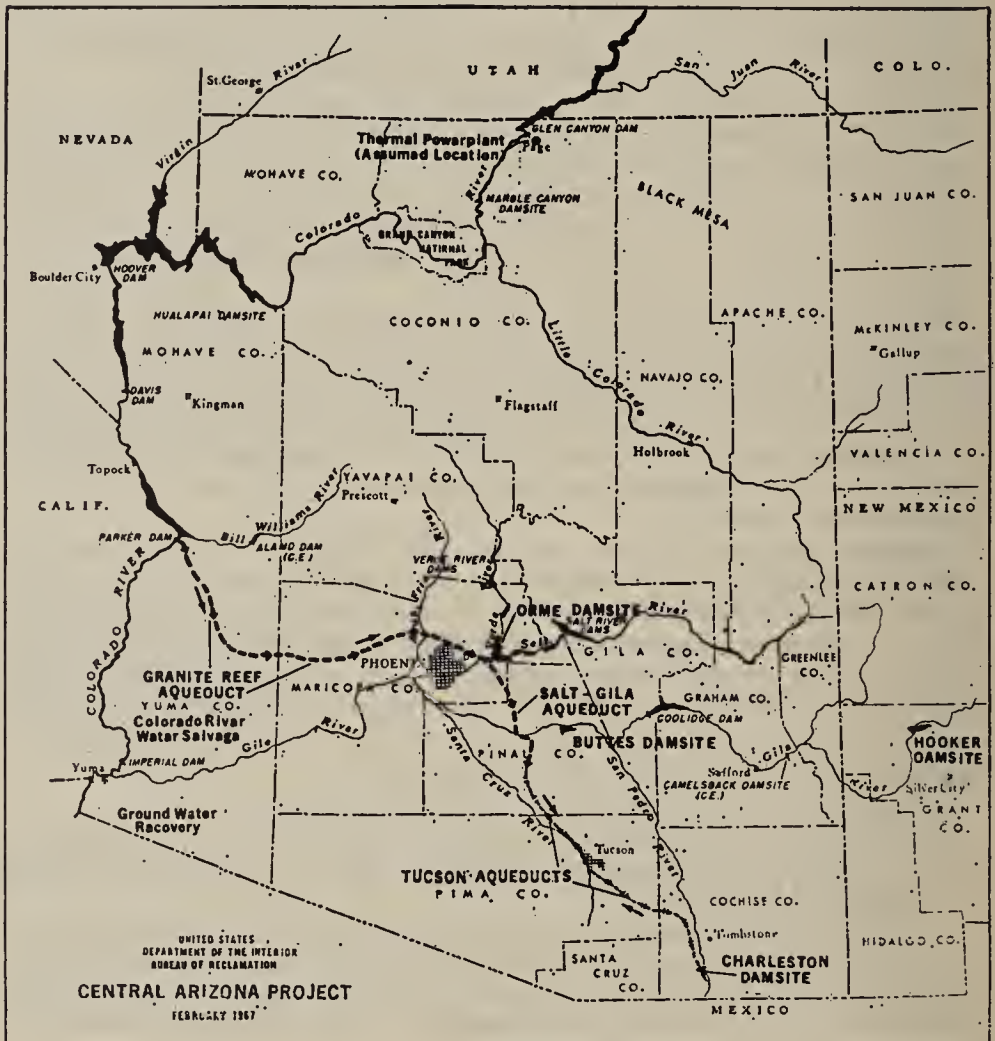
The need for the Central Arizona Project was succinctly summarized by Stewart Udall, the Secretary of the Interior, during the hearings in the following language:

In respect of the second principal objective of our proposed program for the Colorado River Basin, that of alleviating the most immediately urgent water supply deficiencies, the required action at this time in the Lower Basin remains the authorization and construction of the Central Arizona Project.

The rapidly lowering ground water levels, the agricultural lands going out of production, the expanding population, the mounting needs for municipal and industrial water, and the prospects of economic stagnation if relief is not provided, all urge strongly for the need to go ahead with the Central Arizona Project.

I think this needs no further argument to establish that it is the great and pressing need in the basin at the moment.

The committee is in accord that Arizona's needs for supplemental water from the Colorado River are critical and will become more so as time goes on. To maintain the existing agricultural economy and supply the needs of growing municipal and industrial uses, it is essential that this program proceed without delay.



VII. DESCRIPTION OF PROJECTS

A. CENTRAL ARIZONA PROJECT

Project facilities authorized by this bill will coordinate the use of Colorado River water and the local water resources of the Gila River Basin to provide water for the rapidly expanding metropolitan areas of Phoenix and Tucson, for agricultural areas presently dependent upon severely overdrafted ground water basins, and for other water-deficient areas of Arizona and western New Mexico through direct diversion or exchange of water. Additional purposes include flood control, recreation, fish and wildlife conservation, sediment retention, salinity control, power generation, and area redevelopment.

1. PHYSICAL FEATURES

The backbone facilities of the Central Arizona Project are the Granite Reef, Salt-Gila, and Tucson aqueducts, which will convey pumped Colorado River water to the central service zone. Major project features include (see map—Fig. 1) :

Granite Reef aqueduct and pumping plants.

Salt-Gila aqueduct and pumping plant.

Orme Dam and Reservoir (designated as McDowell Dam and Reservoir in the 1947 report) or suitable alternative.

Tucson aqueduct and pumping plants (Colorado River source).

Buttes Dam and Reservoir.

Hooker Dam and Reservoir (New Mexico).

Charleston Dam and Reservoir.

Tucson aqueduct (San Pedro River source).

Aqueduct system.

Granite Reef aqueduct.—The Granite Reef aqueduct will transport water diverted from Lake Havasu by the Havasu pumping plant about 200 miles to Orme Dam located a few miles northeast of Phoenix. The designed capacity of the concrete-lined aqueduct is 3,000 cubic feet per second. The Granite Reef aqueduct, in addition to the initial pumping plant at Lake Havasu, will require a series of lower lift pumping plants, short tunnels, and siphon crossings at major drainages.

Orme Dam and Reservoir.—Located on the Salt River just downstream from its junction with the Verde River, the Orme Dam will be operated with the present Salt River project storage system as well as the aqueduct system from the Colorado River. Sediment-laden storm-flows, originating on tributaries below Bartlett and Stewart Mountain Dams, will be regulated and controlled. Coordinated with operation of the Granite Reef aqueduct, it will provide regulatory storage as needed for both Salt-Verde flows and Granite Reef aqueduct deliveries. In its multiple-purpose role it will serve as an after-bay, reregulate releases from upstream reservoirs, improve the Salt River project operating conditions by removing sediment, create a recreational area with fish and wildlife conservation uses, and in combination and coordination with the upstream reservoirs and downstream channelization, provide storage to meet the flood control requirements of the Salt River through the Phoenix area.

Salt-Gila aqueduct and pumping plant.—The 1,800-cubic-feet-per-second-capacity Salt-Gila aqueduct will receive water either directly from the Granite Reef aqueduct or by releases from Orme Reservoir. A relatively low-head pumping plant is required to lift the water into the aqueduct from either source.

Buttes Dam and Reservoir.—Although investigated and reported previously as a separate facility, Buttes Dam and Reservoir was included as an integral part of the Central Arizona Project in the 1947 report and in the 1964 supplemental report. An earthfill structure, the Buttes Dam will form a reservoir of 366,000 acre-foot capacity. Conservation storage capacity will be 100,000 acre-feet, and 266,000 acre-feet of capacity will be used for sediment and flood control purposes.

Tucson aqueduct (Colorado source).—An aqueduct to deliver 100,000 feet annually to the Tucson metropolitan area will originate at the terminus of the Salt-Gila aqueduct. This municipal and industrial water supply will be conveyed through a 150-cubic feet per second-capacity pipeline and would be lifted 920 feet by a series of pumping plants.

Charleston Dam and Reservoir.—On the San Pedro River between Tombstone and Fort Huachuca, a concrete gravity structure rising 158 feet above streambed, with earthen wing dams, will create a 238,000 acre-foot capacity reservoir. Water conservation will be provided through exchanges. Recreation, fish, and wildlife uses, sediment detention, and flood control benefits will also accrue.

Tucson aqueduct (San Pedro source).—This conduit will convey about 12,000 acre-feet annually from the Charleston Reservoir to Tucson and vicinity.

Hooker Dam and Reservoir.—Hooker Dam would be a concrete gravity structure on the Upper Gila River above the Cliff-Gila community in New Mexico. The dam will be constructed to a size adequate to provide for new consumptive uses of 18,000 additional acre feet of water annually by New Mexico as provided in subsections 2(f), (g) and (h) of this bill. The reservoir will provide water supplies, fish and wildlife uses, recreation, sediment detention, and flood control.

Distribution systems.—In all areas an improvement in conveyance and distribution system efficiencies is essential to obtain optimum water development and use. Widely varying capabilities and conditions exist among the various organized districts and unorganized areas. Lining of presently unlined and future conveyance and distribution systems is provided for in current project plans.

The existing facilities of the Salt River and San Carlos projects, the Maricopa County Municipal Water Conservation District, and several other districts are based on integrated surface and ground water supplies. Rehabilitation and lining of conveyance and distribution works in progress by these districts to improve their system efficiencies would be completed under project conditions.

The bill provides for the authorization of up to \$100 million of appropriations for Federal financing of distribution systems for non-Indian lands under the Distribution System Loans Act (act of July 4, 1955, 69 Stat. 244) or other appropriate programs. This work will be accomplished by loans to project water users under separate contracts and the costs are therefore not included in the Central Arizona Project costs (see sec. 16 of the section-by-section analysis for details).

Construction of new irrigation systems and rehabilitation and lining of existing systems for the seven Indian reservations within the project area are included in the project costs.

Additional works.—Growing and potential water needs of the area require facilities in addition to those included in the project works. Existing facilities of other agencies which could be operationally integrated into the Central Arizona Project include dams, reservoirs, and irrigation works serving proposed contracting agencies in the project area.

The proposed channel improvements of the middle Gila River and the construction of Camelsback Reservoir by the Corps of Engineers and the continuing soil and moisture conservation programs of the Bureau of Land Management and Soil Conservation Service could and should be integrated or coordinated with the project. Natural channels used for water transport are basically canals and, when used as part of a system, their efficiency should be commensurate with their use.

Drainage and reuse facilities.—The control, use, and disposal of the return and effluent flows to be made available in the project area will require additional study to properly evaluate the benefits accruing from reuse and the attendant costs of physical facilities. The cost of such facilities would not affect economic and financial aspects of the project as presented in this report because these units would have to be justified by benefits over and above those considered herein.

Drainage facilities contemplated as part of the project works are open drains and drainage wells upstream from Gillespie Dam on the Gila River. Costs of these facilities are included in the project cost.

Power generation and transmission arrangements

The Secretary of the Interior is authorized to make prepayment arrangements to acquire an entitlement to the delivery of a portion of the electrical output of a large thermal generating powerplant to serve project pumping needs. The thermal plant would be owned, constructed, and operated by non-Federal interests (private and public utilities in the Southwest). The right will also include delivery of the power on jointly shared transmission facilities where available. Current studies indicate that approximately 470 megawatts of capacity will be required on a 24-hour per day basis in connection with the Central Arizona Project with the Granite Reef aqueduct sized at 3,000 cubic feet per second. As a result of the prepayment arrangements the project will obtain power for pumping at a low cost reflecting the economy of large thermal electric powerplants; shared economical, high-capacity, extra-high-voltage transmission facilities will be used; and the benefits of Federal financing will be obtained. (For a detailed discussion see sections 2(b)(1) to 2(b)(2) of the section-by-section analysis.)

Water salvage measures

Included in the bill are water salvage measures consisting of ground water recovery in the Yuma area and phreatophyte clearing along the Lower Colorado River. These undertakings will yield an estimated 320,000 acre-feet of water annually for use in the Lower Colorado River Basin which, particularly in years of low water supply, will be necessary to realize the projected diversion of water to the Central Arizona Project.

Fish hatcheries and wildlife refuge

Fish and wildlife measures not reflected in the costs of multipurpose project structures include national fish hatcheries for both warm water fish and trout, the Cibola National Wildlife Refuge, the New Mexico State Fish Hatchery, and a rough fish eradication program.

2. WATER SUPPLY

The water supply available in the Colorado River has been the subject of analyses which yielded a wide spectrum of conclusions. This is because we are here dealing with the amount of water which will be available in a period many decades in the future. After review of various studies, the committee concluded that it would be conservative and yet realistic to adopt the studies prepared by the Bureau of Reclamation. The Central Arizona Project is feasible under even the most conservative approach taken by the Bureau of Reclamation in the analysis of the available water.

Within the framework of the legal limitations described elsewhere in this report, the Central Arizona Project water supply will be determined by the physical availability of Colorado River water. Two general factors apply in the consideration of water availability. The first is the wide fluctuation in the natural flow of the Colorado River. Computed annual virgin flows at Lee Ferry since 1896 vary from about 5.6 to 24 million acre-feet. Superimposed upon this natural variation is an increasing depletion due to increasing consumptive uses in the Upper Basin as that basin develops uses for its remaining share of Colorado River water as determined by the Colorado River compact.

The assumption of average available flows upon which the Colorado River compact was predicated has not been borne out in recent decades of record. Primarily because of this, in planning the Central Arizona Project, the Department of the Interior has had to design the project to accommodate a fluctuating and decreasing diversion of water in future years.

The Bureau of Reclamation's studies underlying the analyses in this report are based upon a method of operation of the existing storage reservoirs on the Colorado River which is designed to maximize, within the limitations imposed by the continuous generation of power, the average annual yield over the entire study period. As a basis on which to predict the probable future fluctuation of natural flows of the river, the actual recorded flows for the period 1906 through 1965 have been used. These flows have been corrected for existing and projected consumptive uses and modified in accordance with proposed reservoir operations so as to provide a basis on which project water supply studies may be made.

The Bureau's studies are based upon the assumption that a 4.4 priority for California would be in effect throughout the full 50-year repayment period of the project. S. 1004 provides that the priority will expire 27 years after the effective date of the act (this date was chosen because it coincides with the payout date of the Metropolitan Water District aqueduct). It is not the committee's intention to imply any endorsement of the continuation of this priority. The Bureau of Reclamation studies which assumed a 4.4 priority in perpetuity were

originally prepared for analysis of previously proposed legislation. Even under this analysis the Central Arizona Project was demonstrated to be economically and financially feasible. The feasibility will be improved by limiting the period of the priority to 27 years.

The committee feels that recent advances in desalination and weather modification technology coupled with technological advances that can be expected in these and other fields of water resource management in the next few years will make it highly unlikely that it will ever be necessary for California's entitlement under the compact to be reduced.

Redistribution of existing supply can help immeasurably with the water needs of the lower basin. Southern California, for example, has been supplying its existing needs from the Los Angeles and Owens River in California and existing groundwater sources. In addition, California has been using over 5 million acre-feet annually from the Colorado River—although limited by the California Limitation Act to an aggregate maximum of 4.4 million acre-feet per year.

In anticipation of the loss of a small portion of this surplus supply, when Arizona begins to use her full entitlement, California has arranged for an additional supply from the Owens River which will provide 150,000 acre-feet annually, plus 2,011,500 acre-feet annually from the Feather River—a water importation project from the Feather River in northern California. Congress has recently authorized a desalination plant to be located near Long Beach, Calif., which will produce 150 million gallons of water per day, enough to supply a city of 750,000 people. In addition, the Eel River Flood Control & Water Conservation Association, representing the extreme northern counties of California served by the Eel, Trinity, and Klamath Rivers, has recommended that the Congress consider these waters as the initial source of supplemental water to be developed to offset shortages in the Lower Colorado River Basin. The use of these waters would not only supplement additional available sources already existing in northern California to meet the needs of the lower basin, but would serve as a flood control measure for these northern counties which is desperately needed.

Such a redistribution of existing supplies should more than compensate the southern California area for the next 30 years or more for the loss of Arizona's share of Colorado River water—now being used by California. In addition, the entire Pacific Ocean and the Gulf of Lower California are potential sites for additional augmentation of water supply by desalination. Arizona unfortunately is without access to such supplemental sources of supply and must depend entirely on the Colorado River for relief. The committee therefore finds that the Central Arizona Project would provide a beginning to a more equitable distribution of existing water supply and defer any immediate need to look at more remote regions for expensive importation projects.

Even this does not exhaust the possibilities for developing water resources. Much has been done by way of weather modification to increase precipitation in the form of snowfalls in the higher mountain regions to furnish spring runoffs. Water salvage conservation and reuse of existing supplies offer additional great opportunities. Thou-

sands of acre-feet of sewage effluent are being wasted today in both Southern California and Arizona—although rapid progress is now being made with new and economical methods and techniques for its reclamation and reuse.

The National Water Commission (S. 20 has been passed by both the Senate and the House of Representatives) when established will have the responsibility to examine all existing and potential sources of supply and make recommendations for the most efficient use of existing supplies and means for augmentation.

In addition to the water supplies provided from the Colorado River, the Central Arizona Project would develop additional water by regulation of Gila River system flows. Operation of the Buttes Reservoir would contribute an additional 38,000 acre-feet and the Charleston Reservoir an additional 12,000 acre-feet annually to locally available surface water supplies.

Additional water would be made available for use in the area by reuse of percolation, waste, and effluent flows originating from project supplies. This secondary utilization of project water, however, is not accounted for in the physical plan nor is it considered in the economic or financial analyses. To account for these secondary uses would further enhance the projects feasibility.

The tabulation which follows presents a summary of the project water supply studies for the conditions considered representative in the years 1975, 1990, 2000, and 2030. The initial year of full project operation is assumed to be 1975, while year 2030 is the point at which the water supply available to the lower basin would become stabilized under the assumptions and projections adopted relative to upper basin depletions.

The committee feels that coordination of conservation and control facilities involving surface and ground water supplies is essential to realization of the optimum benefit from the introduction of an import supply from the Colorado River. The construction of the Orme, Buttes, Charleston, and Hooker Dams and their reservoirs would provide operational and regulatory control of surface water to make exchanges possible. The additional regulation obtained would facilitate surface and ground water management and make possible higher utilization efficiencies in the conveyance and distribution system. Control of stormflows and improvement of irrigation practices could provide an additional usable water supply.

Through this hydrologic coordination, comprehensive water conservation would be achieved by a combination of water salvage, river channel improvement, river regulation, and watershed soil and moisture programs. For maximum project benefit, direct use of Colorado River water as a fluctuating base supply would be compatible with present and planned coordinated surface and ground water management practices which involve seasonal variations in ground water pumping and storage reservoir draft.

This bill includes provisions for exchanges between New Mexico water users on the upper Gila River system and users in Arizona who can be physically supplied with Colorado River water from the Central Arizona Project aqueduct system. These provisions would have

the effect of transferring to New Mexico a portion of Arizona's entitlement of Colorado River water based upon an agreement between the States. The exchange would be accommodated through the construction and the operation of Hooker Dam and Reservoir.

The Secretary could require users of Central Arizona Project water in Arizona to agree to additional exchanges to provide water supplies to other areas in the State of Arizona. These possibilities are under study. Their accomplishment would, however, require the future authorization of additional facilities.

Finally, S. 1004 does not contain authorization for either Hualapai or Marble Canyon Dams. The bill reported by the House Interior Committee in the 89th Congress (H.R. 4671) would, on the other hand, have authorized both dams. If these dams are not built, the net water which would have been otherwise lost to evaporation from the reservoirs behind the dams (estimated by the Bureau of Reclamation to be 100,000 acre-feet annually) would continue to be available for downstream uses.

SUMMARY OF BUREAU OF RECLAMATION RESERVOIR OPERATION AND WATER SUPPLY STUDIES

[Averages for 60-year period 1906-65, inclusive, in thousands of acre-feet]

Item	Year 1975	Year 1990	Year 2000	Year 2030
Virgin flow, Lee Ferry.....	15,063	15,063	15,063	15,063
Upper basin depletion.....	4,220	5,100	5,430	5,800
Upper basin end-of-year storage:				
Maximum.....	36,125	34,476	33,329	30,386
Minimum.....	15,769	14,280	9,186	6,888
Net storage change.....	0	0	0	0
Lee Ferry regulated delivery.....	9,570	8,770	8,600	8,250
Upper basin spills.....	1,273	1,193	1,033	1,013
Net gain, Lee Ferry to Hoover.....	772	753	732	704
Lake Mead:				
Inflow.....	11,615	10,716	10,365	9,967
Evaporation.....	898	872	835	853
Spills.....	653	269	148	158
Regulated release.....	10,064	9,575	9,382	8,956
Maximum end-of-year storage.....	25,900	25,900	25,900	24,900
Minimum end-of-year storage.....	13,370	13,000	11,800	11,090
Net storage change.....	0	0	0	0
Bill Williams River.....	50	50	50	50
Net Losses, Hoover to Mexico (after salvage).....	590	590	590	590
Delivery to Mexico.....	1,500	1,500	1,500	1,500
Available for use in United States.....	8,024	7,535	7,342	6,916
California ¹	4,762	4,687	4,654	4,564
Nevada.....	100	150	200	300(-)
Arizona ¹	3,162	2,698	2,488	2,052
Other than Central Arizona project.....	1,020	1,160	1,230	1,230
Central Arizona project:				
Available.....	2,142	1,538	1,258	822
Limited by 3,000-c.f.s. aqueduct.....	1,955	1,368	1,123	748
System losses ²	196	137	112	75
Supplied from Colorado River.....	1,759	1,231	1,011	673
Supplied from Gila River.....	50	50	50	50
Project deliveries.....	1,809	1,281	1,061	³ 723
Municipal and industrial.....	82	232	312	312
Irrigation.....	1,727	1,049	749	411

¹ Figures represent California and Arizona entitlements under the decree in "Arizona v. California" (including surplus in excess of 7,500,000 when available) and 4.4 priority for California. California could use more, however, due to Arizona's inability, through physical limitations, to use its full share.

² System losses assumed to be 10 percent throughout. Refinement of this estimate, particularly in years of less than full capacity aqueduct operation, will be considered in more detailed studies.

³ Although the average yield under year 2,030 condition would be 723,000 acre-feet, the assured yield would be less than $\frac{1}{2}$ of this figure and would be devoted to municipal and industrial use.

2. ECONOMIC AND FINANCIAL ANALYSIS

The financial aspects of the Central Arizona Project, as authorized by section 2 of S. 1004, are summarized in the following tabulations.

As a result of the committee's action in recommending the Central Arizona Project with power prepayment arrangements construction of the project will cost only slightly over one-half the amount proposed to be authorized in H.R. 4671 (89th Cong.), and similar bills in the 90th Congress. Under S. 1004, the Central Arizona Project costs, exclusive of non-Indian distribution systems and possible works to recapture return flows, total \$768 million. Under H.R. 4671, the project costs would have totaled \$1,395 million (with the same exclusions). See House Report No. 1849, 89th Congress, second session, to accompany H.R. 4671.

The difference in cost between the two plans results from the elimination of the Hualapai (\$529 million) and Marble Canyon (\$239 million) Dams. Instead, S. 1004 provides for power prepayment at a cost of only \$103 million.

Project costs:

Granite Reef aqueduct-----	\$370, 000, 000
Salt-Gila aqueduct-----	42, 800, 000
Tucson aqueduct-----	42, 030, 000
Orme Dam and Reservoir-----	38, 418, 000
Buttes Dam and Reservoir-----	31, 974, 000
Charleston Dam and Reservoir-----	33, 048, 000
Hooker Dam and Reservoir-----	28, 797, 000
Drainage system-----	10, 500, 000
Power generation and transmission arrangements-----	103, 210, 000
Subtotal -----	700, 777, 000
Indian distribution system-----	19, 970, 000
Water salvage and recovery-----	42, 450, 000
Fish hatcheries and wildlife refuge-----	5, 250, 000
Total, project costs-----	768, 447, 000

Annual operation, maintenance, and replacement costs:

Aqueduct system-----	¹ 3, 387, 000
Power generation and transmission arrangements-----	7, 700, 000
Subtotal -----	11, 087, 000
Water salvage projects-----	1, 000, 000
Fish hatcheries and wildlife refuge-----	490, 000
Total -----	12, 577, 000

¹ O.M. & R. costs are exclusive of pumping energy costs which are internal to the project.

Benefit-cost analysis

Benefits:

	<i>Annual benefits</i>
Function:	
Irrigation	\$75,447,000
M. & I.	16,853,000
Commercial power	5,075,000
Fish and wildlife	1,635,000
Recreation	583,000
Flood control	780,000
Area redevelopment	267,000
Total	100,640,000

Costs:

Total project costs	768,447,000
Interest during construction	50,465,000
Subtotal	818,912,000
Less:	
Investigation costs	6,202,000
Indian distribution system	19,970,000
Subtotal	26,172,000
Net federal investment	792,740,000
Annual equivalent of investment costs (100 years—3½ percent interest)	25,970,000
Average annual O.M. & R.	12,577,000
Total, annual costs	38,547,000
Benefit-cost ratio: Total benefits, 100 years	2.6 to 1.0

COST ALLOCATION

[100-year period; 3½ percent interest]

Purpose	Project cost	Interest during construction	Total Federal investment	Average annual O.M. & R.
Irrigation	\$364,026,000	\$27,173,000	\$391,199,000	¹ \$2,339,000
Municipal and industrial	190,376,000	12,561,000	202,937,000	¹ 669,000
Power	103,210,000	5,713,000	108,923,000	7,700,000
Irrigation	(53,772,000)	(2,976,000)	(56,748,000)	(4,012,000)
Municipal and industrial	(15,585,000)	(863,000)	(16,448,000)	(1,163,000)
Commercial	(33,853,000)	(1,874,000)	(35,727,000)	(2,525,000)
Recreation	6,328,000	925,000	7,253,000	278,000
Flood control	11,133,000	810,000	11,943,000	33,000
Fish and wildlife	24,073,000	1,839,000	25,912,000	68,000
Prepaid investigation	² 1,631,000		² 1,631,000	
Subtotal	700,777,000	49,021,000	749,798,000	11,087,000
Indian distribution system	³ 19,970,000			
Water salvage and recovery	42,450,000	1,444,000	43,894,000	1,000,000
Fish hatcheries and wildlife refuge	5,250,000		5,250,000	490,000
Total	768,447,000	50,465,000	798,942,000	12,577,000

¹ O.M. & R. costs are exclusive of pumping energy costs which are internal to the project.² Prepaid from Colorado River Development Fund. Remainder of investigation costs are allocated among project purposes.³ Included for authorization purposes but not considered in economic and financial analyses. Repayment would be deferred under the provisions of the Leavitt Act.

CENTRAL ARIZONA PROJECT

REPAYMENT ANALYSIS

SUMMARY OF REIMBURSABLE AND NONREIMBURSABLE COSTS

	Project cost	Interest during construction at 3.225 percent	Total for repayment
Reimbursable:			
Irrigation.....	\$364,026,000		\$364,026,000
Municipal and industrial.....	190,376,000	\$14,425,000	204,801,000
Power.....	103,210,000	2,824,000	106,034,000
Irrigation.....	(53,772,000)		(53,772,000)
Municipal and Industrial.....	(15,585,000)	(890,000)	(16,475,000)
Commercial.....	(33,853,000)	(1,934,000)	(35,787,000)
Recreation.....	1,525,000	217,000	1,742,000
Fish and wildlife.....	294,000	40,000	334,000
Total.....	659,431,000	17,506,000	676,937,000
Nonreimbursable:			
Flood control.....	11,133,000		11,133,000
Recreation.....	4,803,000		4,803,000
Fish and wildlife.....	23,779,000		23,779,000
Indian distribution system ¹	19,970,000		19,970,000
Water salvage and recovery.....	42,450,000		42,450,000
Fish hatcheries and wildlife refuge.....	5,250,000		5,250,000
Total.....	107,385,000		107,385,000
Prepaid Investigation costs ²	1,631,000		
Total project cost.....	768,447,000		

¹ Repayment deferred under Leavitt Act provisions.² Prepaid from Colorado River Development Fund.

REPAYMENT OF REIMBURSABLE COSTS

	Reimbursable costs	Net revenues available for repayment	Surplus or deficit
Irrigation.....	\$364,026,000	\$113,272,000	—\$250,754,000
Municipal and industrial.....	204,801,000	235,782,000	30,981,000
Power (including surplus revenues from Hoover, Parker-Davis, and Intertie).....	106,034,000	703,106,000	597,075,000
Fish and wildlife.....	334,000	334,000	
Recreation.....	1,742,000	1,742,000	
Total.....	676,937,000	1,054,236,000	377,302,000

DEVELOPMENT FUND BALANCE¹

Year:	Amount
2025.....	\$377,302,000
2047.....	1,186,612,000
2050.....	1,281,921,000

¹ For a detailed discussion see sec. 5(a) of the section-by-section analysis.

B. UPPER COLORADO RIVER BASIN PROJECTS

1. PHYSICAL FEATURES

The five projects authorized by section 7 of the bill would become participating projects of the existing Upper Colorado River Storage Project Development Fund through an amendment of the Colorado River Storage Project Act (70 Stat. 105, 43 U.S.C. 620). Feasibility reports on the individual projects have been transmitted to the Congress by the Secretary of the Interior and printed as the following documents:

Animas-La Plata project, Colorado-New Mexico, House Document 436, 89th Congress, Second session.

Dolores project, Colorado, House Document 412, 89th Congress, Second session.

Dallas Creek project, Colorado, House Document 433, 89th Congress, Second session.

San Miguel project, Colorado, House Document 435, 89th Congress, Second session.

West Divide project, Colorado, House Document 434, 89th Congress, Second session.

2. WATER SUPPLY ASSUMPTIONS

Depletions of Colorado River water for the five projects are shown in the following tabulation :

STREAM DEPLETIONS, 5 PROJECTS

(In acre-feet)

Project	Reservoir evaporation	Irrigation	Municipal and industrial	Total
Animas-La Plata:				
Colorado.....	2,500	73,100	36,700	112,300
New Mexico.....	700	27,300	6,100	34,100
Subtotal.....	3,200	100,400	42,800	146,400
Dallas Creek.....	4,200	27,500	5,300	37,000
Dolores.....	8,500	75,800	3,000	87,300
San Miguel.....	6,300	52,600	26,100	85,000
West Divide.....	1,700	48,800	25,900	76,400
Total.....	23,900	305,100	103,100	432,100

Bureau of Reclamation hydrologic assumptions indicate that the depletions associated with these projects, along with depletions for all present and presently committed future developments, are within the available Colorado River allotments to the States of Colorado and New Mexico under the terms of the Colorado River Compact and the Upper Colorado River Basin Compact.

3. COSTS, ECONOMICS AND FINANCIAL ANALYSIS

The project costs and allocations are as follows :

Costs of projects:

Animas-La Plata	\$109,493,000
Dolores	46,643,000
Dallas Creek	37,687,000
West Divide	99,800,000
San Miguel	67,815,000
Total	\$361,438,000
Less investigation costs paid from CRDF ¹	2,235,000
	\$359,203,000
Authorized appropriation ceiling.....	\$360,000,000

¹ Colorado River Development Fund.

ALLOCATIONS

[In thousands of dollars]

	Animas-La Plata	Dolores	Dallas Creek	West Divide	San Miguel	Total
Irrigation.....	78,971	38,578	26,881	68,328	51,020	263,778
Municipal and industrial water supply.....	27,848	1,993	4,620	28,140	11,415	74,016
Recreation and fish and wildlife.....	2,674	4,907	5,102	3,016	4,198	19,897
Flood control.....		474	228	316	1,182	2,200
Water quality.....		184				184
Investigations and miscellaneous.....		507	856			1,363
Total.....	109,493	46,643	37,687	99,800	67,815	361,438

Repayment of the costs of the Colorado River storage units and irrigation repayment assistance necessary for all currently authorized participating projects and the five projects included in this bill can be accomplished within the time prescribed by law, based upon estimates of water supply and upper basin depletions consistant with those used in the Central Arizona Project analyses.

Based on these schedules, costs of the storage units allocated to power would be repaid in 36 years and those allocated to irrigation and repayable from power and M. & I. revenues in 4 additional years. At the critical point in repayment of participating project irrigation costs, the surplus power and M. & I. revenues in the Upper Colorado River Basin Fund will exceed the required irrigation assistance. The amount required at the critical period would actually be available about 10 years earlier than necessary, providing a reasonable margin for the assumptions involved.

The apportioned revenues estimated to be available from the Upper Colorado River Basin Fund for the States of Colorado and New Mexico where all of these projects are located are as follows:

[In thousands of dollars]

	Colorado	New Mexico
Apportioned net revenues through 2049.....	442,444	165,571
Repayment assistance required authorized project.....	54,648	47,647
Project in S. 1004:		
Animas-La Plata.....	44,502	14,527
Dolores.....	30,353	
Dallas Creek.....	21,190	
West Divide.....	51,345	
San Miguel.....	45,068	
Subtotal, assistance required.....	247,106	62,174
Uncommitted apportioned revenues (year 2049).....	195,338	103,397

VIII. SECTION-BY-SECTION ANALYSIS

Section 1

This section provides that this act may be cited as the “Central Arizona Project Act.”

Section 2(a)

Section 2(a) sets forth the purposes of the Central Arizona Project and describes the principal works. They are set out in detail in section VII(A) of this report.

Section 2(a) (1) specifies that the project water pumping and delivery system for carrying Colorado River water from Lake Havasu to Orme Dam shall have a capacity of not less than 3,000 cubic feet per second (c.f.s.). (This is the Granite Reef portion of the project aqueduct and pumping plants system.)

Bureau of Reclamation data indicate an improved benefit-cost ratio for the project as aqueduct capacity is increased from the originally planned 1,800 c.f.s. to at least 3,800 c.f.s. The committee chose a 3,000 c.f.s. capacity as a compromise between maximum benefit and increased cost.

Bureau hydrology indicates that even under conditions of ultimate development on the river there will be recurrent periods of high flow resulting in periodic spills from Lake Mead. The capacity of the Granite Reef aqueduct will permit Arizona to utilize more of its share of such spillage.

While the amount of water made available by increasing the size of the aqueduct depends upon the criteria used in analyzing the hydrology, it is reasonable to anticipate that over the 50-year payout period, water made available by a 3,000 c.f.s. aqueduct would average about 125,000 acre-feet annually more than that made available by a 2,500 c.f.s. aqueduct.

The difference in cost between a 2,500 c.f.s. aqueduct and a 3,000 c.f.s. is on the order of \$50 million if done at the time of initial construction. The cost of enlarging the capacity of the Granite Reef aqueduct following construction would be extremely high and it would probably, as a practical matter, be necessary to construct paralleling facilities to provide increased capacity.

Fluctuating aqueduct water deliveries can be utilized in central Arizona without waste because of the existing and proposed regulating reservoirs and ground water pumping facilities which can be operated in relationship to the availability of aqueduct deliveries from the Colorado River at any given time.

Section 2(a) also grants a water priority as against the Central Arizona Project to the State of California for a period of 27 years for any year in which there is insufficient mainstream water to satisfy the consumptive uses of 2.8 million acre-feet for Arizona, 4.4 million acre-feet for California, and 0.3 million acre-feet for Nevada, or a total of 7.5 million acre-feet which is the entitlement of the lower basin. In any year during the next 27 years in which less than 7.5 million acre-feet is available, diversions for the Central Arizona Project shall be so limited as to assure the availability to California of 4.4 million acre-feet. This priority was not contained in S. 1004 as introduced. Nevada's entitlement is not affected by according this priority to California.

It is the position of the committee that under the terms of the Boulder Canyon Project Act and the decision of the Supreme Court interpreting it, and the decree of that Court in *Arizona v. California*, California does not have the right to such a priority as a matter of law. Senators Hayden and Fannin, when they offered the amendment adding the California priority to the bill indicated they did so as an act of grace and comity. The committee adopted the amendment without in any way intending to affect, abridge, or impair the rights of the Lower Basin States under existing law, except to the extent of the amendment.

The period of 27 years was selected to coincide with the repayment period of the original bonds issued for the construction of the aqueduct from the Colorado River to Los Angeles, Calif., by the Metropolitan Water District of Southern California. Final redemption of these bonds according to their terms, will occur in 1994.¹ The amendment was offered in the spirit of attempting to allay the concern expressed by some California representatives that the construction of the Central Arizona Project would place in jeopardy the financial structure of the Metropolitan Water District bonds, and as a matter of comity to attempt to resolve any conflict with a sister State.

Section 2(b)(1)

This subsection authorizes the Secretary to obtain project pumping power requirements from non-Federal entities who will own, construct, and operate a modern thermal plant.

The Department of the Interior made a detailed study during the fall of 1966 of alternative sources and arrangements to provide pumping power for the needs of the Central Arizona Project. These alternatives ranged from the construction of dams and hydroelectric plants on the river as proposed in some bills, to the purchase of power from private and public utilities on the open market.

The Department recommendations, based on these studies, were embodied in the draft of proposed legislation sent to the Congress on February 15, 1967. This legislation was introduced as S. 1013 at the request of the administration.

S. 1004, like the administration's bill, S. 1013, provides that the required pumping power will be supplied by purchasing a portion of the capacity of a large steam electric generating plant constructed, owned and operated by non-Federal utilities (private and public utilities in the Southwest). (See the letter of Mr. Walter Lucking, page 144 of the Senate hearings on the Central Arizona Project, May 2-5, 1967.) The power required to operate the project pumps on a 24-hour-per-day basis is estimated by the Bureau of Reclamation as the output from 470 megawatts of generating capacity.

In making the power available to the Central Arizona Project, the Bureau would charge the project a sufficient price to repay to the Treasury the full amount of the capital advanced over the life of the plant along with the annual operating costs, and to create a sinking fund for replacement of plant components at the end of their useful life. In accord with reclamation law, capital costs associated with pumping power used for municipal and industrial purposes would be repaid with interest at the same interest rate which is customarily charged if municipal and industrial pumping power is produced by hydroelectric generating plants.

It is estimated that the cost for power delivered at the Central Arizona Project pumping plants will be 3 mills per kilowatt hour for pumping irrigation water, and 5 mills per kilowatt hour for pumping municipal and industrial water. These power rates are low enough that construction of the Central Arizona Project will be financed primarily by water charges paid by the water users. (See discussion under analysis of section 5(a).)

¹ See letter of R. A. Skinner, general manager and chief engineer, metropolitan water district, p. 546, Central Arizona Project hearings, before the Committee on Interior and Insular Affairs, U.S. Senate, April 1964.

The Department of the Interior's summary report on the Central Arizona Project with Federal prepayment power arrangements, February 1967 (pp. 13 and 14) describes the arrangements by which power obtained under this bill will be managed:

In the analyses for this report, it was assumed that a power banking arrangement with utilities in the area would be established. Surplus power and energy when available would be put into the bank to be withdrawn later to accommodate fluctuating project pumping requirements. The ratio between amounts of deposit and withdrawal would be adjusted for losses between the banking utilities' systems and the Central Arizona Project pumping plants as well as providing a small incentive to the utilities.

The power and energy available for commercial sale each year was assumed to be the Government's entitlement to total generation less the Central Arizona Project pumping requirement, transmission losses, and reserve for the capacity sold commercially, and it was adjusted for the power banking service described above. Based on water supply projections, practically the entire Federal share of the thermal plant output will be required for project pumping purposes through the year 1990. A small increment of commercial power sales would be anticipated during this period because of the smaller amount of reserve capacity that would be maintained in the early years * * *.

It has been suggested that the steam plant might be located in northern Arizona, possibly near Page, and adjacent to Lake Powell. However, a careful engineering study may dictate other sites in the State of Arizona as being preferable. The committee expects the plant to be located at the most feasible site. It has been contemplated that the plant would burn coal obtained from the Black Mesa fields of the Navajo-Hopi Indian Reservations in northern Arizona, and the water used for the plant would be obtained from the drainage area of the Colorado River system above Lee Ferry—but, there too, these assumptions should not in any way limit working out the most efficient way of constructing, operating, and maintaining this plant. Water for the plant—if diverted above Lee Ferry—would be a charge against the 50,000 acre-feet per year entitlement which Arizona has as a State of the Upper Basin under the Upper Colorado River Basin compact, whether or not the plant is located in the drainage area of the Colorado River system above Lee Ferry.

The committee directs the Secretary to make adequate contractual provisions to secure performance of the prepaid power arrangements.

Although the language of section 2(b)(1) authorizes the Secretary to enter into a contract whereby the Secretary would "make the Federal portion of such cost available to non-Federal interests during the construction period," it is not intended to limit the Secretary in all instances to cash or money advances. It is believed that in some instances savings of State and local taxes may be achieved by the United States, itself, purchasing equipment and facilities for the plant or providing services in connection with construction of the plant, with ap-

propriate credit being given to the United States by the non-Federal owners of the plant. In other words, the same concept which applies to appropriate credits being given for interest in Federal lands—Section 2(b)(1)(iii) should also apply to equipment, facilities, or services provided by the United States—and the committee expects the Secretary to incorporate appropriate language in this respect in his contract with the non-Federal utilities.

Section 2(b)(1)(i)

This subsection provides that the Federal Government will pay not more than its share of the costs of the powerplant and facilities under the power prepayment arrangements. The Federal Government's share of the capacity of the thermal powerplant shall not exceed the ratios of the respective capacities to be provided for the use of the United States, to the total capacity of the thermal plant. For example, under the bill, if the United States will require approximately 470 megawatts of power, the Federal Government's share of the capacity of a 2,000-megawatt thermal plant would be $470/2,000$ or $23\frac{1}{2}$ percent. The prepayment by the United States for project power would be computed as no more than $23\frac{1}{2}$ percent of the cost of constructing the thermal powerplant.

The United States will not pay to the owners of the thermal plant any interest on money used in its construction. The reason, of course, is that the Federal Government will be advancing money under the prepayment arrangement for purchase of the required electrical power during the construction period in installments designed to facilitate a timely construction schedule. The cash advances will be charged to the Central Arizona Project as project costs and repaid to the Treasury as required by reclamation law.

The Secretary is not to make any funds available other than those which are necessary for preconstruction activities, until he determines that adequate contractual arrangements covering water and fuel supplies are in effect. It is anticipated that in addition to the express safeguards in the legislation which are designed to protect the Federal investment, there will also be contractual safeguards to insure (1) a dependable supply of pumping power for the Central Arizona Project, (2) performance of the agreements which will be entered into by the Department, and (3) protection of the environmental quality of the area.

The Secretary is expected to require of the non-Federal interests which construct and operate the thermal plant, adequate measures to control waste water, waste materials, sewage, and other forms of pollution resulting from the operation of the thermal plant. Every effort should be made to insure that there will be no significant pollution of the waters of the basin.

The Secretary is also to require that measures are adopted by the non-Federal owners and operators of the thermal plant to insure that smoke, fly ash, and dust from stack emissions will meet approved health and esthetic standards.

Construction of a coal-fired thermal plant may necessitate the opening of a large strip mine. If so the Secretary should require that arrangements are made for appropriate reclamation and restoration of these lands after they have been mined.

With respect to water and air pollution and strip mine reclamation, the Secretary should endeavor to see that all applicable Federal laws and standards are strictly complied with. He should also reserve the right to make periodic inspections to insure that the appropriate standards are being met. Provision should be made for periodic review and implementation of technological advances in quality control equipment.

Section 2(b) (1) (ii)

This subsection provides that the annual operation and maintenance costs of the thermal powerplant will be apportioned between the United States and the non-Federal interests on an equitable basis, taking into account the ratios determined in connection with the allocation of construction costs made under subsection 2(b) (1) (i). This language provides the Department with sufficient flexibility in contract negotiations to see that the United States will be given appropriate credit toward its share of the operation and maintenance costs in the event that some of these costs are paid for in the form of services, personal property, or any other valuable consideration.

The United States would not bear depreciation costs of any of the initial construction costs of the thermal powerplant, switchyard, and transmission lines built under subsection 2(b) (1) (i). The reason, of course, is that the United States will have already paid for the project pumping power requirements by prepayment and will make its own arrangements to recover this investment.

With respect to replacements for components with relatively short service life after the thermal plant goes into operation, the United States has the option of either (1) paying a portion of the capital costs of any necessary replacements, in which event it would not share in depreciation costs, or (2) paying a portion of the depreciation costs on any replacement items which are entirely financed by the non-Federal interests.

The plant replacement costs which would occur at the end of the useful life of the thermal power plant, however, will be paid in the form of a capital prepayment, the same as the initial prepayment. A replacement reserve for this purpose will be accumulated within the development fund by retention of an appropriate annual portion of the revenues from pumping and commercial power.

Section 2(b) (1) (iii)

This subsection provides that if the thermal power plant and appurtenances are located on Federal lands, the United States will be granted due credit for the value of the land in determining the pro-rata share of payments to be made by the participants in the thermal plant. This section also applies to switchyards and transmission lines.

Section 2(b) (1) (iv)

This subsection insures that the U.S. portion of the costs of purchasing capacity in the thermal power plant, switchyards, and transmission lines will not include any interest, interest during construction, financing charges, or franchise fees, which would be applicable to the non-Federal constructors of the plant. The United States will provide its own funds from its own sources and therefore will pay its own fi-

nancing and interest costs. The United States is not required to obtain a franchise to supply power for project pumping and the payment of franchise fees to municipalities or regulatory bodies through the non-Federal owners and operators would not therefore be appropriate.

The committee deleted language stating that the costs to be borne by the U.S. shall not include—"taxes (except for social security and other payroll taxes) including but not limited to real or personal property taxes, gross or net income taxes, and sales, use, and transaction taxes" from the adopted amendment to this section. It is the intention of the committee that in contract negotiations the Secretary should act to insure, insofar as is practicable, that the United States will not bear such costs. The language, however, was thought to be unduly restrictive in that it is possible that the non-Federal entities constructing the powerplant may be inescapably subject to such costs (for example sales taxes imposed by noninterested States in which equipment is purchased). A portion of these costs may equitably be a part of the Federal costs.

Section 2(b) (2)

This subsection requires the thermal power plant to be located in the State of Arizona and makes clear that if the plant is served by upper basin water the consumptive use of that water shall be a charge against Arizona's 50,000 acre-feet per year entitlement under the terms of article III(a) of the Upper Colorado River Basin compact (63 Stat. 31). Use of this water shall not be construed to increase Arizona's entitlement to water under that compact.

Section 2(c)

Subsection 2(c) establishes the conditions for the delivery and use of Central Arizona Project water. Project water can be used for irrigation of only those lands which the Secretary of Interior finds to have a "recent irrigation history." Colorado River water delivered into central Arizona is intended only to supplement the existing supplies which are inadequate for sustained uses at the present rates of use. A primary purpose is to reduce the annual overdraft upon the limited ground water reserves. It would be inconsistent with this essential purpose to permit delivery of project water for irrigation of lands that have not previously been irrigated.

The committee considered and rejected a proposal to place an arbitrary time limit of 4 years to guide the Secretary in determining which lands have a "recent irrigation history." Such a time limit is unrealistic because it is not presently known what particular areas the project will service. In addition, there may be cases which will require discretion and sound judgement. An arbitrary time limit would restrict the Secretary in arriving at proper determinations.

Indian lands and national wildlife refuges are excepted from this condition, and if the Secretary approves, the exception may also apply to wildlife management areas administered by the State.

Section 2(d) (1)

This subsection provides the Secretary with the authority, in the event that he determines it is necessary to effect repayment of the Central Arizona Project facilities, to require that project water be

supplied pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. Organizations such as these are commonly known as conservancy districts and are sometimes used as a means of levying ad valorem taxes on all taxable real property within the project service areas.

With the adoption of an amendment to S. 1004, providing for a substantial basin development fund (sec. 5), it appears to the committee that the contemplated ad valorem tax will be unnecessary and that this authority will not have to be exercised. It is the intention of the committee that the Secretary is to require the use of an ad valorem tax only if such a tax is found to be necessary to provide revenues to accomplish the repayment of the project. Any other advantages which the Secretary may find in requiring the application of the tax are not considered to be sufficient grounds.

In view of the provision for a development fund to assist in repayment of irrigation costs it is the opinion of the committee that the need for an ad valorem tax is very remote. The committee has concluded, however, that this provision should nevertheless be retained in the bill for use under unforeseen circumstances which could develop at some future time. This will provide an added guarantee that the project costs will be repaid.

The provisions of this subsection, should they be exercised, would not apply to the costs of supplying water to an Indian tribe for use within the boundaries of an Indian reservation.

Section 2(d)(2)

This subsection provides that section 9(d) and 9(e) contracts which are made pursuant to the Reclamation Project Act of 1939 shall be made for a period of 50 years. It also provides that water made available under such contracts for irrigation purposes may, if no longer needed for that purpose, be made available by the Secretary for municipal and industrial purposes.

Section 9(d) of the Reclamation Project Act of 1939 provides for the execution of repayment contracts and requires that such contracts be made as a prerequisite to the delivery of water.

Section 9(e) of the Reclamation Project Act of 1939 provides for the execution of contracts for delivery of water in lieu of contracts for repayment.

The provision for conversion of irrigation water supply to municipal and industrial uses was included so that it would be possible to progressively increase the amount of water available for municipal and industrial supply as the needs for these uses increase. In some instances municipalities may be expected to grow into areas which are now irrigated. In those cases the irrigation users would no longer require the water for irrigation purposes and the Secretary could contract with the municipalities for the use of the water.

Section 2(d)(3)

This subsection provides that contracts relating to municipal and industrial water supplies may be made notwithstanding the provisions of the last sentence of section 9(c) of the Reclamation Project Act of 1939. This sentence provides that municipal contracts may not be made

unless, in the judgment of the Secretary, such contracts will not impair the efficiency of the project for irrigation use. The committee does not desire to relegate municipal and industrial use to a secondary preference, and it is for that purpose that section 2(d)(3) was inserted.

This provision is in accord with the practice in recent years of making an exception to the "irrigation preference" established under the Reclamation Project Act.

Section 2(e)

This section provides that each water and repayment contract entered into by the Secretary with water users shall contain various safeguards for water conservation and use.

First, there must be measures to control expansion of irrigation from ground water aquifers which have been improved by the importation of Colorado River water. In other words, owners of land not within the project service area but adjacent to it should not receive a "windfall" from the improved ground water conditions.

Second, the contracts shall require that all contractors provide lined canals and laterals adequate in the judgment of the Secretary to prevent excessive conveyance losses.

Third, the language of the contracts shall provide that "neither the contractor nor the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the service area of a contractor receiving water from the Central Arizona Project for any use outside said contractor's service area unless the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required."

This is similar in some respects to the first item mentioned. However, it is more specific and is intended to prohibit pumping from improved ground water conditions which result either from seepage of Central Arizona Project water into the underground aquifers or which result from the shutting down of deep well agriculture pumps for substantial periods of time and using Central Arizona Project water as replacement for ground water. This subsection provides that one contractor for Central Arizona Project will not be permitted to pump ground water from within the boundaries of the service area of another contractor and thus receive the benefits of low-cost ground water as opposed to higher cost Central Arizona Project water.

The committee has deleted item (4) of this section as originally introduced. This deleted section provided that all waters, including industrial waste water, return flow, seepage, sewage effluent and ground water in or flowing from the contractor's service area and "originating or resulting from (i) water contracted for from the Central Arizona Project, or (ii) water stored or developed by any Federal reclamation project are reserved for the use and benefit of the United States as a source of supply" for the Central Arizona Project or Federal reclamation project.

By the deletion of this item, it should not be inferred that the committee does not subscribe to the concept or philosophy of that provision. The Secretary has the power to impose such contractual limitations and it is the committee's intention and instruction that he should do so. The Secretary has done so in various reclamation pre-

payment contracts entered into in the past. (See Reclamation Repayment Contracts, S. Doc. No. 92, 88th Cong., second sess., dated Aug. 5, 1964). It is the committee's conclusion that such safeguards can and should be negotiated by the Secretary without the necessity of including specific language on this point.

Finally, it should be made clear that it was not the intent of the committee that the deletion of this subsection from the final draft of the bill should constitute an abandonment of these waters by the United States as was the contention in the case of *Ide v. United States* (263 U.S. 497). Rather, it is the intention of the committee that all rights of the United States be reserved and protected and the Secretary is expressly instructed to contract so that this is done.

The committee added to section 2(e) a provision which specifically subordinates main stream Colorado River water contracted for the Central Arizona Project to the satisfaction of all existing contracts between the Secretary and users in Arizona made pursuant to the Boulder Canyon Project Act. This provision applies only to water users within the State of Arizona. In legislating with respect to priorities within the Arizona allotment of Colorado River water, it is not the committee's intention either to modify the priorities of the Federal Establishments in Arizona referred to in article II(D) of the decree of the U.S. Supreme Court in *Arizona v. California*, 376 U.S. 340 (1964), nor to subordinate the main stream Colorado River priority of the Cibola National Wildlife Refuge which was established subsequent to the decree by Public Land Order 3442, August 21, 1964 (29 F.R. 121369). The annual water requirement for the refuge is (1) 7,500 acre-feet diverted from the main stream for circulation water with minimal consumptive use, and (2) 27,000 acre-feet diverted from the main stream or the consumptive use of 16,793 acre-feet of main stream water, whichever is less, with a priority date of August 21, 1964.

Section 2(f)

This subsection gives the Secretary authority to arrange for water exchanges. As a condition prerequisite to any contract, the contractor may be required to accept main stream water in exchange for or in replacement of the contractor's existing supplies. By these exchanges, various areas of Arizona which, by virtue of location and topography, cannot receive main stream water, will be able to benefit from the project.

This subsection would also apply to the specific exchange authorized between users in the States of New Mexico and Arizona dealt with in subsection (h) of this section, which directs the Secretary to require downstream users of Gila River system water in Arizona to agree to accept Central Arizona Project water from the main stream of the Colorado River in exchange for water to be used in New Mexico. There is an additional discussion of this exchange in the analysis of subsection 2(h).

Section 2(g)

Subsection (g) provides a means of protecting contract users who have yielded water from other sources in exchange for main stream water. The protection is provided by giving such contract users a first

priority to main stream water in times of main stream shortages over contract users who have not so yielded. This priority, however, shall not exceed the amount of water yielded from other sources.

Section 2(h)

Subsection (h) authorizes an exchange of water between New Mexico users on the Upper Gila River system and users in Arizona who can be physically supplied from the main stream of the Colorado River through the Central Arizona Project.

The practical effect of the language is to permit New Mexico to utilize not to exceed an annual average of 18,000 acre-feet of Gila River water in any 10-consecutive-year period. This water is intended to be over and above the amount now allocated to New Mexico, and its use is to be from water allocated to Arizona as a part of its 2,800,000 acre-feet main stream entitlement even though the water is actually exchange water from the Gila River system. As a protection to downstream users, full consideration is to be given to any differences in the quality of water exchanged.

The Secretary, in making these exchanges, is not to permit increased uses by water users in New Mexico until—and the uses shall continue only so long as—delivery of sufficient Colorado River water to downstream Gila River water users in Arizona is being accomplished as set forth in this bill.

The last sentence of this subsection provides protection for all users who have a legal right to the use of Gila River water at the time of the enactment of this act. This protection is accomplished by making “all additional consumptive uses provided for in this subsection” subject to water rights on the Gila River, its tributaries, and underground water sources effective on the date of enactment of this act.

The water rights along the Gila River in Arizona and New Mexico have been the subject matter of long disputes in the courts and in negotiations among holders of rights to the water of the river. It is not the intention of the committee that this section express or indicate in any manner whatever its opinion with respect to the application or binding effect upon persons who either have or claim the right to use the water of the river. The language of this section has as its purpose the arrangement for an exchange of water between the States of New Mexico and Arizona without affecting any legal right to the use of Gila River water which exists at the time of enactment of this legislation. The existing rights along the Gila River are, therefore, neither enhanced nor impaired by this section.

This exchange may be accomplished without amendment of article IV of the decree in *Arizona v. California* (376 U.S. 340). (See opinion of the Solicitor of the Department of the Interior, Aug. 19, 1966, and approval of the Solicitor General of the United States dated Aug. 18, 1966, as printed in the hearings on the Central Arizona Project, May 1967, p. 382.)

Section 2(i)

This subsection is intended to restrict, for a period of 10 years after this bill is enacted into law, the delivery of water to any newly irrigated lands for the purpose of raising crops which are surplus. There is no intent to allow project water to be used to irrigate new lands in

Arizona. The water furnished by the Central Arizona Project is to be used to supplement the existing water supply for lands currently under production or lands which have a history of irrigation, but which were recently taken out of production due to lack of water. There may be some new lands irrigated in New Mexico to which this provision would apply.

Section 2(j)

The Dixie project, located in Utah, has been authorized but is not yet under construction because present studies indicate it will be \$25 to \$30 million short of being able to repay the reimbursable costs. This amendment provides that the Dixie project may receive financial assistance from the development fund and thus become a financially feasible project.

It is the intention of the committee that the provisions for the repayment of the Dixie project remain as far as possible in accord with the project's authorizing legislation (Public Law 88-565, 78 Stat. 848). Costs allocated to recreation and fish and wildlife are to remain nonreimbursable as in the original authorization.

Section 3

This section assures that the Central Arizona Project works will be developed in accordance with the Federal Water Project Recreation Act (79 Stat. 213). This act was effective July 9, 1965, and its purpose was to provide that in investigating and planning any Federal navigation, flood control, reclamation, hydroelectric or multiple-purpose water resources project full consideration would be given to opportunities, if any, afforded for outdoor recreation and for fish and wildlife enhancement. It is the intention of the committee that any potentials for outdoor recreation, or fish and wildlife enhancement which might reasonably be served by the Central Arizona Project works should be fully developed and utilized, insuring the greatest use and benefits possible to the American people.

Section 4

This section deals with the cost of serving Indian lands. Under the language of this section the Secretary is required to determine the repayment capability of any Indian lands served by the project facilities authorized by S. 1004. That portion of the construction cost allocated to the irrigation of Indian lands which is within the repayment capability of such lands will be deferred under the provisions of the Leavitt Act (act of July 1, 1932; 47 Stat. 464), and the portion which is not within the repayment capability of such lands will be nonreimbursable. This treatment of the cost of serving Indian lands is in accordance with previous actions of the Congress.

Section 5(a)

Section 5(a), added to the bill by committee amendment, establishes a separate fund in the Treasury to be known as the Lower Colorado River Basin Development Fund. The development fund would provide assistance to the Central Arizona Project and the Dixie project, and will be available upon future authorization by the Congress for basinwide water conservation and development. Revenues to be paid into the development fund will include the surplus post-amortization revenues from Hoover Dam, the Parker-Davis project, the Arizona-

Nevada section of the Pacific Southwest Intertie, as well as the revenues of the Central Arizona Project works and facilities, including any revenues resulting from commercial power sales during periods of time when the project does not use all of the power purchased under the prepayment plan.

The establishment of development funds is not a new concept. The principle has been recognized and utilized in the Colorado River Storage project, the Missouri River Basin project, the Columbia Basin, and the Central Valley project.

The Bureau of Reclamation's financial analysis of this project is, as was previously mentioned, predicated on a priority in perpetuity to California of 4.4 million acre-feet despite the fact that S. 1004 limits the priority to 27 years. This is but one of a multiplicity of factors which will be determinative of the amounts available in the development fund. The Bureau of Reclamation has estimated these amounts as follows:

1. The facilities authorized by this bill will need assistance from the development fund in the amount of \$122 million by 2025. By the year 2050 these facilities will repay that assistance and in addition will provide the development fund with an additional \$315 million. If the Bureau's studies had not been based on a perpetual 4.4 million acre-feet priority to California, and if the shortages had been pro rated on the basis of 28/75 to Arizona, 44/75 to California, and 3/75 to Nevada, the assistance needed from the development fund would be reduced to \$76 million by 2025, and the \$315 million figure cited above would be increased to \$387 million.

2. Hoover, Parker and Davis Dams would provide a surplus of approximately \$479 million by the year 2025 and approximately \$837 million by the year 2050.

3. The Arizona-Nevada portion of Pacific Northwest-Pacific Southwest Intertie would contribute \$21 million by the year 2025 and \$130 million by the year 2050.

The following tabulation shows the source of revenues and the anticipated amounts as of the year 2025 and 2050 : ²

	2025	2050
Central Arizona Project.....	(\$122, 481, 000)	\$314, 848, 000
Hoover-Parker Davis.....	478, 983, 000	837, 073, 000
Northwest-Southwest intertie.....	20, 800, 000	130, 000, 000
Total.....	377, 302, 000	1, 281, 921, 000

² In this tabulation the following assumptions were made—

1. The 4.4 million acre-foot priority to California is in perpetuity.
2. The indicated surpluses for Hoover, Parker-Davis are those which remain after payment of \$600,000 annually to Arizona and Nevada in lieu of taxes.

3. The indicated total surpluses are those which remain after payment of \$5,000 annually for power lost at Coolidge Dam.

4. It was assumed that the upper Colorado River Basin development fund will be completely reimbursed for the loss in power at Hoover during the filling of Glen Canyon.

5. The totals do not reflect assistance required for the Dixie project estimated to total \$25 million to \$30 million.

6. Average commercial power rate assumptions :

Hoover Dam : 4 mills per kilowatt-hour.

Parker-Davis Project : 4.7 mills per kilowatt-hour.

Central Arizona Project : 5 mills per kilowatt-hour.

Upon future authorization by the Congress the revenues in the development fund will be available for use in connection with construction and operation of other projects, desalinization plants, weather modification programs, watershed improvement and control, salvage operations, and purification of sewage effluent for reuse, and other programs designed to augment the flow of the river, conserve its water resources, and contribute to future basin development.

These contemplated revenues are based upon Department of the Interior assumptions of postamortization rates. Starting with the Pacific Southwest water plan and in all subsequent studies, Hoover rates have been proposed to be an average of 4 mills per kilowatt-hour and Parker-Davis rates at 4.7 mills per kilowatt-hour. The Pacific Northwest-Southwest intertie wheeling charges and Central Arizona Project water rates are anticipated to remain at their original level.

Section 5(b)

Section 5(b) provides that all appropriations made to accomplish the purposes of section 2 and for other projects which may in the future be authorized by Congress to develop and conserve water for the lower basin States, shall be credited to the development fund as advances from the general fund of the Treasury.

Section 5(c)(1)

This subsection provides that all revenues from operation of the works and facilities authorized in section 2 or authorized in the future in furtherance of the purposes of this bill shall be credited to the development fund. It is intended that when non-Federal entities enter into cost-sharing agreements under the provisions of the Federal Water Project Recreation Act (79 Stat. 213), the user fees will be available to such entities for cost-sharing payments under that act. The cost-sharing payments made by such entities to the United States will, however, be revenues to the development fund.

Section 5(c)(2)

This section provides that all Federal revenues from power generation at the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of the projects, are surplus to the operation, maintenance, and replacement costs shall be credited to the development fund.

The Secretary is, however, authorized to continue the "in-lieu-of-taxes" payments to the States of Arizona and Nevada as provided for in section 2(c) of the Boulder Canyon Project Adjustment Act, so long as revenues accrue from the operation of the Boulder Canyon project. Absent this provision, these payments would have terminated in 1987.

It is the intent of the committee that all surplus revenues following repayment of Hoover Dam shall be paid into the lower Colorado River basin development fund and any payments to the Upper Colorado River Basin thereafter shall be made out of the development fund. Payments from net revenues at Hoover, as used in section 8, shall be construed to mean payment from the development fund.

Section 5(c)(3)

This subsection provides that postamortization revenues from the U.S. Bureau of Reclamation portion of the Dalles-Hoover and the

Hoover-Phoenix transmission lines and terminal facilities located in the States of Nevada and Arizona will be credited to the lower Colorado River Basin development fund. The intertie is scheduled to pay out in year 2021, which is 50 years after initiation of full service in 1972. The service life of the intertie is at least 75 years.

In June of 1964 the Secretary of the Interior sent his "Report to the House and Senate Appropriations Committees on the Pacific Northwest-Pacific Southwest Intertie" (U.S. GPO 36-130). In October 1964 the Secretary transmitted a feasibility report on the Dalles-Hoover D. C. intertie. Both of these reports contemplated post-amortization benefits which would accrue for use in other reclamation projects.

On page 2, section V of the June 1964 report (page 32 of U.S. GPO 36-130), the following statement concerning postamortization benefits appears:

This additional benefit we estimate to be about \$365 million (Pacific Southwest \$175 million, Pacific Northwest \$190 million) in the 25 years following payment of the line * * *. If it were policy to continue to make the same charges on the line after the first 50 years, the postamortization benefits *would be available for assistance to irrigation or other water projects.* [Emphasis added.]

The following statement appears on page 17 of the October 1964 report:

The repayment analysis shows that after allowing for annual operation, maintenance, and replacement cost there would be net annual postamortization revenues of \$4,437,000, accumulating to \$114,188,000 over the remaining estimated life of the line—that is, by the end of the 75th year of operation.

The difference in the amounts stated in the two reports is because the October 1964 report considers only the Dalles-Hoover line, whereas the June 1964 report considers *all* of the federally constructed lines under the Pacific Northwest-Pacific Southwest intertie (includes the Hoover-Phoenix 345-kilovolt, alternating current line as well as lines in California and the Federal portion of the Dalles-Los Angeles 750-kilovolt line and Los Angeles-Hoover crosstie).

The Committee believes that it is appropriate to provide for the inclusion of the U.S. portion of these funds from facilities located in Nevada and Arizona into the lower Colorado River Basin development fund to set up a basin account for Federal reclamation projects in the States of Arizona, California, and Nevada. Were these funds not utilized as provided for in this section, they would be paid into the general fund of the Treasury.

There is precedent for inclusion of postamortization benefits resulting from the Pacific Northwest-Pacific Southwest interties into a basin development fund. The Oregon portion of the Federal Pacific Northwest-Pacific Southwest intertie is financially integrated with the Federal Columbia River power system. Postamortization revenues from these facilities, in excess of operating costs and other costs, will there-

fore become a part of the net revenues derived from the marketing of commercial power and energy through the Federal Columbia River power system. Under the provisions of section 2 of Public Law 89-448 (80 Stat. 200) these net revenues are made available, as limited by section 6(b) of Public Law 89-561 (8 Stat. 715), for assistance in the repayment of costs of reclamation projects in the Columbia River allocated to irrigation which are beyond the repayment ability of irrigation water users.

Similarly, any revenues resulting from the intertie to the Central Valley Project in California will be reflected in Central Valley Project's accounts. As a part of the surplus power revenues of the project, they will be available for irrigation repayment assistance to units of the project which are now or will in the future be authorized.

Section 5(d)

This subsection provides for the application of revenues in the development fund without further appropriation for purposes of: (1) operation, maintenance, replacement and emergency expenditures; (2) for reimbursement to the upper Colorado River basin fund as required by section 8; (3) for payments as required by subsection (f) of section 5; and (4) for payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam.

This latter provision is necessitated because of the provisions of subsection 2 (f), (g), and (h) which apply to the increased uses in New Mexico. Increased uses in New Mexico will diminish the downstream flow into the storage reservoir at Coolidge Dam. While the water used in New Mexico would be replaced downstream from Coolidge on the Gila River, this replacement would not be delivered into the reservoir behind Coolidge Dam. As a result, it would not be available for the generation of power and energy at the Coolidge Dam turbines.

The San Carlos project which now receives the benefit of this power and energy is entitled to continue to receive the same benefit, and provision is therefore made for payment out of the basin fund for this purpose. A rough approximation would indicate that the amount of money would be \$5,000 annually.

Section 5(e)

This subsection provides that revenues in the development fund may be used for the construction of works authorized in section 2 of this act only as appropriated by the Congress.

Section 5(f)

This subsection relates to the use of revenues in the development fund that are in excess of the amount necessary to meet the requirements of (1), (2), and (4) of section 5(d). Such excess funds shall be paid to the Treasury to return the costs of those project features authorized by section 2 which are allocated to irrigation, commercial power, or municipal and industrial water supply, in a period of 50 years from completion of each unit or separate feature exclusive of any allowable development period.

Development fund moneys will also be used to pay interest (including interest during construction) on the unamortized balance of the

investment in commercial power and municipal and industrial water features. Interest due shall be a first charge, and shall be set by the Secretary of the Treasury in accordance with subsection (g) of section 5.

Section 5(g)

This subsection deals with the interest rate to be applied to reimbursable project costs allocated to commercial power and municipal and industrial water supply. The Secretary of the Treasury will determine the rate at the beginning of the first fiscal year in which funds are advanced to begin construction of the project. The formula prescribed is consistent with that set forth in section 301(b) of the Water Supply Act of 1958 (72 Stat. 297) and frequently used for Federal water development projects.

Section 5(h)

This subsection requires the annual submission of business-type budgets to the Congress for all operations financed from the development fund.

Section 6

Section 6 authorizes a program for water salvage along and adjacent to the main stream of the Colorado River and for ground water recovery. The program must be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife as determined by the Secretary of the Interior.

The water salvage program consists of ground water recovery in the Yuma, Ariz., area and eradication and control of phreatophytes presently covering 42,000 acres of land near the Colorado River which consume thousands of acre-feet of water. It is estimated that the total salvage program, when combined with the channelization of the river which is now in progress will salvage about 680,000 acre-feet of water.

The breakdown of the project costs (see section VII of this report) indicates that the water salvage and recovery program will cost \$42,450,000.

Section 7(a)

Section 7(a) authorizes the construction, operation, and maintenance of five projects in the upper basin. They are: Animas-La Plata Federal reclamation project, Colorado-New Mexico; Dolores, Dallas Creek, West Divide, and San Miguel Federal reclamation projects in Colorado. To accomplish these authorizations, costing an estimated \$360 million, the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620) is amended. A breakdown of the project costs is found in section VII(B) of this report.

The five projects are briefly described as follows:

Animas-La Plata

The Animas-La Plata project is in southwestern Colorado and northwestern New Mexico in the San Juan River Basin. The project would develop the flows of the Animas and La Plata River systems for irrigation, municipal and industrial use, recreation, and fish and wildlife enhancement.

Project water supplies would be provided to about 72,000 acres in Colorado and New Mexico of which 46,500 acres, including about

7,500 acres of Indian lands, would receive full supplies and 25,000 acres which would receive supplemental supplies. About 76,000 acre-feet annually of municipal and industrial water also would be supplied by the project. A portion of these supplies would fulfill the present and future needs of Durango, Colo.; Farmington, N. Mex., and nearby communities. Substantial supplies would be made available for the development of coal fired electric powerplants which will utilize the coal deposits on the Southern Ute and Ute Mountain Indian Reservations. By exchange, the project would also make irrigation water available to augment supplies of the existing Florida project nearby.

The Animas- La Plata project would assist in the trend toward more intensive farming and the production of vegetables, fruit, and dairy products in the area. The availability of water would insure the development of the area's valuable coal deposits. The development would be of particular value to the Indian tribes by creating opportunities for both industrial and agricultural economic ventures.

Dolores

The Dolores project is just east of the Utah-Colorado State line in southwestern Colorado. The project would develop the flow of the Dolores River to provide irrigation water for about 61,000 acres, of which 28,700 acres would receive supplemental water supplies and 32,300 acres, including 1,500 acres of Indian land would receive full supplies. The project would furnish 6,100 acre-feet annually of municipal and industrial water supply for the communities of Dove Creek and Cortez. Significant recreation, fish and wildlife enhancement, flood control, area redevelopment, and water quality control benefits should also be realized from the development.

The Dolores project would stabilize the existing agricultural economy by providing supplemental water to irrigated lands now experiencing shortages and by expanding irrigation to good quality lands presently dry farmed and producing only a part of their potential. The municipal and industrial water supply is urgently needed to meet current and future requirements of communities in the project area.

Development of the project would bring substantial employment benefits to Indians of the Southern Ute, Ute Mountain, and Navajo Reservations. The regulation provided by the project's McPhee Reservoir would improve the quality of water for municipal use at Cortez and Dove Creek and provide appreciable flood control benefits downstream along the Dolores River.

Opportunities for water-based recreation and for fish and wildlife enhancement would be afforded by the project in an area now nearly devoid of such opportunities.

Dallas Creek

The Dallas Creek project is in Delta, Montrose, and Ouray Counties in west central Colorado. The project would develop the water of the Uncompahgre River and its tributaries to provide irrigation water for about 23,600 acres of land, of which 14,900 acres would receive full water supplies and 8,700 acres supplemental supplies, and 15,000 acre-feet annually of municipal and industrial water supply for the communities of Olathe, Montrose, and Delta and the surrounding rural

areas. Recreation, fish and wildlife enhancement, and flood control benefits would be provided by the project's reservoirs.

The irrigation supplies of the Dallas Creek project are urgently needed to alleviate late-season water shortages, which commonly result in crop failures, and to augment the irrigated acreage which supports the livestock industry of the area.

The municipal and industrial water supplies are needed to meet the existing and potential needs for adequate and safe supplies for local communities and surrounding rural areas, particularly the city of Montrose which is presently experiencing rapid growth. The expansion of tourism is one of the factors contributing to the growth in the area.

The three project reservoirs would provide attractive recreation areas, and features for the conservation of fish and wildlife resources are also included in the plan. The proposed Ridgeway Reservoir would be valuable for the control of snowmelt floods.

West Divide

The West Divide project is in Garfield, Mesa, Pitkin, and Gunnison Counties in west-central Colorado. Project water would be obtained from a series of Colorado River tributaries, including the Crystal River. The project would provide 77,500 acre-feet annually of municipal and industrial water and irrigation water for about 40,000 acres, of which 19,000 acres would receive full irrigation supplies and 21,000 acres would receive supplemental supplies. Recreation, fish and wildlife conservation, and flood control would also be important functions served by the project.

The project area lies along both sides of the Colorado River adjacent to the Roan Plateau which contains some of the world's richest oil shale deposits. Developmental oil shale activity is in progress near the project, and the area offers an attractive and convenient site for a municipal and industrial complex to develop this resource. The West Divide project would provide the initially required water supplies for the industrial processes and the attendant community growth. Municipal water would also be supplied for the current recreation and suburban expansion near Glenwood Springs.

The dependable irrigation water supplied by the project would alleviate the problems of the unstable and often marginal farming operations in the area and provide an expanded and more prosperous base for the existing agricultural economy.

The project reservoirs would significantly improve recreation opportunities in the already popular White River National Forest. Benefits to fisheries and upland game hunting would be provided by the project, and the project's Placita Reservoir would reduce snowmelt flood damages on the Crystal River.

San Miguel

The San Miguel project is in Montrose and San Miguel Counties in southwestern Colorado. The project would develop the flows of the San Miguel River to irrigate about 38,900 acres of land, of which 26,400 acres would receive full irrigation supplies and 12,500 acres would receive supplemental supplies, and to provide 44,000 acre-feet annually of municipal and industrial water supplies. It would also

provide flood control, recreation, and fish and wildlife enhancement benefits.

Mining is the chief source of income in the project area, with agriculture second in importance. Mining activity has fallen off in recent years and an expansion of the agricultural base is urgently needed to offset the depressing effect on the general economy of the area. The project development would create new settlement opportunities and increased employment on existing farms and in related service industries.

The project would also provide water supplies for potential industrial and associated municipal expansion in the area. Interest has been expressed in the development of coal resources near Nucla for the expansion of existing thermal-electric generating facilities. Other potential industrial uses are for pulp mills to utilize nearby timber resources and the development of the area's potash reserves. A dependable water supply would be basic to the realization of any of these possibilities.

The growth of tourism in the area is creating a need for water-based recreation and fishing, which will be provided by the development. Damaging spring flows of the San Miguel River would also be reduced by the project.

Availability of water

The five upper basin projects will deplete the flows of the Colorado River by an estimated 432,000 acre-feet annually, of which 398,000 will be used in Colorado, and 34,000 in New Mexico. This total estimated depletion, added to present and committed uses, will not exceed the quantities of Colorado River water apportioned to the States of Colorado and New Mexico by the Upper Colorado River Basin compact.

Economic considerations

The five upper basin projects have a combined benefit cost ratio of 1.82 to 1. Construction, operation, and repayment costs will be financed by participation in the Upper Colorado River Basin fund. To accomplish this the Colorado River Storage Project Act is amended as required for that purpose.

Costs allocated to municipal and industrial water supply for each of these five projects will be repaid with interest, in not to exceed 50 years, by the water users. The cost associated with recreation and fish and wildlife enhancement will be shared by non-Federal public bodies, where applicable, under the provisions of the Federal Water Project Recreation Act. The costs allocated to flood control will be nonreimbursable.

The irrigation water users will repay their annual operation and maintenance costs and that portion of the construction costs allocated to irrigation which is determined to be within their repayment capacity. It has been determined that, considering all previously authorized projects, apportioned revenues from the Colorado River storage project will become available in amounts and at the times required to provide the necessary assistance in repaying the remaining costs allocated to irrigation for each of the projects.

Section 7(b)

Subsection (b) provides that the Animas-La Plata project shall be constructed and operated according to engineering plans transmitted to the Congress by the Secretary on May 4, 1966 (H. Doc. 436, 89th Cong.). It also provides that the project shall not be undertaken until the States of Colorado and New Mexico have ratified a compact. The consent of Congress to negotiate the compact is given in this bill.

The text of the required compact is set forth in subsection 7(b).

Section 7(c)

Subsection (c), relating to the excess-land provisions of reclamation law, would permit the determination of ownership on the basis of 160 acres of class I land or the equivalent thereof in other land classes, as determined by the Secretary of the Interior. This provision is applicable not only to the five upper basin projects authorized in this act, but also to the Seedskaadee project in Wyoming which was authorized in the Colorado River Storage Project Act of 1956.

Section 7(d)

Subsection (d) has been included in the legislation in order to give congressional interpretation to the meaning of the words "any western slope appropriations" that appear in paragraph (i) of that section of Senate Document No. 80, 75th Congress, first session, entitled "Manner of Operation of Project Facilities and Auxiliary Features." The meaning of these words which this subsection approves is the same as that approved by the Colorado Water Conservation Board. The section of Senate Document No. 80 referred to provides for three principal water components of the Colorado—Big Thompson Federal reclamation project; namely, for diversion of water to the eastern slope of Colorado, for storage of replacement water, and for storage of water for use in western Colorado. The replacement water (52,000 acre-feet) and water for use in western Colorado (100,000 acre-feet) are stored in Green Mountain Reservoir in western Colorado.

The last sentence of paragraph (g) of the particular section of Senate Document No. 80 in question says:

The 100,000 acre-feet of storage in said reservoir shall be considered to have the same date of priority of appropriation as that for water diverted or stored for transmountain diversion.

This quoted sentence is subsequently qualified by paragraph (i) of the same section which, with reference to the Colorado River Compact, states, in part, as follows:

Notwithstanding the relative priorities specified in paragraph (g) herein, if an obligation is created under said compact to augment the supply of water from the State of Colorado to satisfy the provisions of said compact, the diversion for the benefit of the eastern slope shall be discontinued in advance of any western slope appropriations.

The committee was informed that there has been considerable misunderstanding within the State of Colorado as to the effect of the additional projects herein authorized when viewed in the light of the

above quoted provisions of Senate Document No. 80. Although the misunderstandings may be less real than they appear, the committee agrees to resolving the matter by approving the interpretation of the words "any western slope appropriations" to mean and refer to the appropriations heretofore made for storage in Green Mountain Reservoir on the western slope of Colorado. It is the view of the committee that any other interpretation would interfere with water rights vested by law in prior appropriators, and that the approved interpretation defines and observes the purpose of said paragraph (i) of Senate Document No. 80, and does not, in any way, affect or alter any rights or obligations arising under Senate Document No. 80 or under the laws of the State of Colorado.

Section 8

Section 8 deals with the financial problems created by the filling of Lake Powell and the resulting impairment of firm power production at Hoover Dam. Substantial payments have already been made out of the upper Colorado River Basin fund to compensate Hoover Dam power contractors for deficiencies in power generation at Hoover Dam, and additional payments may have to be made in the future under the Glen Canyon filling criteria.

Section 8 provides for the repayment of such expenditures heretofore or hereafter made out of the upper Colorado River Basin fund. This is to be accomplished by transferring \$500,000 each year to the upper basin fund from the Colorado River development fund (CRDF) created by the Boulder Canyon Project Adjustment Act of 1940, commencing with the enactment of this act. The CRDF now receives \$500,000 per year from Hoover Dam power revenues earmarked for use in the development of projects and will continue to do so under existing law until 1987. The effect of section 8 is to earmark that same amount (\$500,000 annually) for transfer to the upper Colorado Basin fund instead. If any deficit in reimbursement of the upper Colorado River Basin fund exists after 1987 the remaining deficiency is to be paid out of the new lower Colorado River Basin development fund which is established by section 5 of this act.

Section 9

This section provides that nothing in this legislation is to be construed as changing in any way the provisions of applicable interstate compacts; the water treaty with Mexico; the Supreme Court decree in *Arizona v. California*; or except as provided in this act the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, or the Colorado River Storage Project Act. Similar language appears in other acts that have been considered by the committee with respect to the Colorado River Basin.

Section 10(a)

Subsection (a) requires that after each successive 5-year period, the Secretary will report the annual uses and losses of water from the Colorado River system. The first period begins on October 1, 1965. The reports shall include a State-by-State breakdown of consumptive uses and specific quantitative consumptive uses from the major tributaries flowing into the Colorado River from each State. Specific tributaries which the committee considers to be "major" include, but are not

limited to, Green River, Yampa River, White River, Duchesne River, Price River, San Raphael River, San Juan River, Chinle Creek, Animas River, Pine River, Gunnison River, Uncompahgre River, Dolores River, San Miguel River, Roaring Fork River, Eagle River, Blue River, Little Colorado, Kanab Creek, Virgin River, Bill Williams River, Muddy River, and the Gila River. In preparing such reports the Secretary shall consult with each of the States of the lower basin and with the Upper Colorado River Commission. The reports shall be transmitted to the President, the Congress, and the Governors of each of the seven States involved in the Colorado River compact.

The purpose of such reports is to obtain data required for full and efficient development of the limited water resources of the basin.

Section 10(b)

Subsection (b) directs the Secretary to make all contracts for delivery of water originating in the Colorado River drainage basin subject to physical availability under terms of the Colorado River compact. This provision merely continues the presently existing policy with regard to such contracts.

Section 11

Long and arduous negotiations preceded the adoption of the language in section 11 relating to the reservoir operating criteria for Hoover and Glen Canyon Dams. These negotiations involved interests in the three lower division States and the four upper division States of the Colorado River Basin in consultation with technical and legal representatives of the Department of the Interior. The agreement reached is a step toward finally settling the disputes which have existed between the two basins, and constitutes an act of statesmanship which is to be highly commended.

The language expressed in section 11, in the opinion of the committee, constitutes a fair and reasonable solution to the problem of protecting the future water resource development of the four upper division States, and also providing for the use of the water in the lower division States until the water is required upstream. This should result in the greatest beneficial use of the available water.

According to the terms of the Colorado River compact, articles III(c) and III(d), delivery of Colorado River water is required of the upper division States at Lee Ferry. Storage in Lake Powell is the key to the accomplishment of this requirement. If there is no water storage in Lake Powell to make the required releases during periods of drought, it is possible that upper basin consumptive uses would have to be curtailed in order to discharge the compact obligation. The greater the storage in Lake Powell, the less likelihood there will be of this happening. On the other hand, if too much water is withheld in Lake Powell on the grounds that it is necessary for later discharge of upper basin compact obligations the possibility of spill and denial of use in the lower basin is increased. The language of Section 11, implementing operations under the compact is intended to establish a commonsense balance between the right of the upper division States to store water to meet future delivery requirements under the compact and the lower basin's right under article III(e)

of the compact to demand the release of water stores in the upper basin to meet lower basin consumptive uses.

Section 11(a)

Section 11(a) directs the Secretary of the Interior to propose criteria for the coordinated long-range operation of reservoirs constructed under the authority of the Colorado River Storage Project Act and the Boulder Canyon Project Act, consistent with the provisions of those statutes, the Boulder Canyon Project Adjustment Act, the Colorado River compact, the Upper Colorado River compact and the Mexican Water Treaty.

While it is impossible to anticipate all of the combinations of hydrologic sequences and economic and financial factors that will occur in the future or to evaluate precisely the effect of applying rigid criteria under all conditions, the committee believes, on the basis of testimony and information supplied by the Department of the Interior, that strict adherence to the specific criteria required by this title will rarely, if ever, require a reservoir operation which is inconsistent with what would be considered the optimum operation.

To the extent that it is possible to foresee, reservoir operations under section 11 will not be inconsistent with reservoir operations permitted under the Glen Canyon filling criteria promulgated by the Secretary of the Interior and printed in the Federal Register on July 19, 1962 (27 F.R. 6851). Thus, the filling criteria would continue until terminated at some later date.

Section 11(a) further specifies that in the preparation of the reservoir operating criteria, and in their execution, certain priorities shall govern the storage of water in reservoirs of the Colorado River storage project and releases of water to the lower basin at Glen Canyon Dam. The first priority, set out in paragraph (1), is for the release of water to satisfy one-half the deficiency in deliveries of water to Mexico as described in article III(c) of the Colorado River compact, if such deficiency exists and is chargeable to the upper basin States.

The second priority, set out in paragraph (2), for release of water from Lake Powell is to deliver at Lee Ferry 75 million acre-feet in every period of 10 consecutive years under article III(d) of the Colorado River compact.

A third priority is given to storage of water to enable the States of the upper division to meet their compact obligations without impairing consumptive uses in the upper basin. The language in the first part of paragraph (3) provides that water not required to be released each year to fulfill the priorities relating to the Mexican Treaty burden and delivery of 75 million acre-feet every 10 years shall be stored in upper basin reservoirs to the extent that the Secretary shall find to be necessary to assure long-term deliveries of water at Lee Ferry for these same purposes without impairing present or contemplated consumptive uses of water within the compact apportionment to the upper division States. In determining the extent to which water must be stored for those purposes, the Secretary is required to consult with the Upper Colorado River Commission and representatives of the three lower division States and to take into consideration all factors pertinent to a hydrologic analysis of the water supply situation, including historic streamflows, the most critical period for which water records

are available, and probabilities of water supply under recognized statistical procedures. This procedure is consistent with the intent of the Colorado River Storage Project Act, and the committee believes that it can be complied with and still provide the Secretary the necessary latitude in determining the extent of storage reasonably required.

As the upper basin depletions increase with time, the controlling critical periods will lengthen and the required amounts of carryover storage will increase. It is recognized that the establishment of requirements for carryover storage cannot be based on critical period considerations alone, but that probabilities of water supply also must be considered. Also, the production of power and energy is a relevant factor that must be considered if the financial feasibility of Federal developments in the Colorado River Basin is to be assured.

The committee understands that the language of the proviso in paragraph (3) establishes specific guidelines for the release of water available in excess of compact III (c) and (d) requirements and water required to be stored as provided in paragraphs (1), (2), and the first part of (3). Before discussing the operating guidelines of paragraph (3) it should be pointed out that during prolonged periods of low runoff there would be no available excess water and hence these criteria would not be applicable. During periods of high runoff and high storage content the problems of reservoir operation dealt with in paragraph (3) are not critical and their application would not be of major significance. Thus, it is within the intermediate ranges of runoff and storage content that the criteria specified are particularly meaningful.

The language of paragraph (3) embodies three specific operating guidelines. The first (i) provides that if water excess to the requirements of paragraphs (1) and (2) is determined to be available, it shall be released from Lake Powell to the extent that it can be reasonably applied in the lower division States to the domestic and agricultural uses specified in article III (e) of the Colorado River compact, but no such releases of water will be made from Lake Powell when the active storage therein is less than the active storage in Lake Mead.

The second (ii) has as its objective the distribution of available excess water in a manner that will equalize as nearly as practicable active storage in Lake Mead and Lake Powell. The committee believes that the policy, herein established, of maintaining, so far as possible, equal active storage in Lake Powell and Lake Mead is consistent with good operating practice and is fair and equitable to both the upper and lower basins. Although there may be conditions under which it would be desirable and advantageous to operate over a limited period of time in a manner different than that specified in phase (ii), particularly when both Lake Powell and Lake Mead have substantial reserves of storage, any problem caused by application of this criterion is not regarded as serious.

The third (iii), to avoid spilling water from Lake Powell, is obviously consistent with good river management.

Section 11(b)

Subsection (b) retains to the seven States composing the Colorado River Basin a voice in formulating the operating criteria. The pro-

posed criteria must be submitted by the Secretary of the Interior not later than July 1, 1968, to the Governors of these seven States, and to other appropriate parties or agencies, for their review and comment. Thereafter, the Secretary will adopt the criteria by January 1, 1969, and publish the same in the Federal Register.

The Secretary is also required to keep the Congress and the Governors of the Colorado River Basin States informed by a yearly report reflecting actual operation for the past compact year and projected operation for the current year.

As with any proposed operation or set of criteria, the committee recognizes that actual practice may dictate changes, so the Secretary is authorized to make changes in the criteria required by actual operating experience or unforeseen circumstances. As a protection to the States of the basin, such changes may only be made after correspondence with the Governors and consultation with representatives selected by the Governor of each State.

These provisions give adequate latitude and flexibility in establishing or changing criteria to meet any circumstance which may arise, while at the same time assuring change only after adequate consultation with those affected. It is recognized that all conceivable exigencies cannot be foreseen, thus the necessity for such provisions.

Section 11(c)

Subsection (c) directs that section 7 of the Colorado River Storage Project Act (70 Stat. 109), which relates to power production, be administered in accordance with the criteria set out in this section. This provision is appropriate and necessary to assure consistent power operations at all Federal reservoirs on the Colorado River, and to emphasize that the production of hydroelectric energy is a relevant factor that must be considered if the financial feasibility of Federal water resource developments in the Colorado River Basin is to be reasonably assured, as hereinbefore indicated.

The development of the reservoir operating criteria pursuant to section 11 not only should prevent a recurrence of the misunderstandings that were manifest throughout the Colorado River Basin at the time the Secretary initiated the filling of Colorado River storage project reservoirs, but should also constitute a major contribution to more efficient and reasonable river management. The committee regards the operating criteria of section 11 as being fully consistent with the terms of the Colorado River compact, including article III(e) thereof. The committee wishes to emphasize that the language in this section is not an attempt to interpret article III(e) of the Colorado River compact; it simply places qualifications upon operations under article III(e). The successful negotiations which produced these guidelines for the Secretary to follow in operating Federal reservoirs under article III(e) in the Colorado River Basin may preclude costly litigation in the future.

Section 12(a)

This section recognizes and reaffirms the Colorado River compact and the binding effect of its provision on the States signatory thereto. The upper basin rights to the consumptive use of the water apportioned to that basin under the compact are protected against any interim use

of this water in the lower basin. Under this section, when the upper basin has the projects and the means necessary to use its entitlement under the Colorado River compact it will then have available the water. Interim use of Colorado River water cannot ripen into a legal, moral or equitable right to any portion of the upper basin's water regardless of the length of time the water has been used.

Section 12(b)

This subsection provides that the duties and powers of the Upper Colorado River Commission are made inviolate to any of the terms of this bill. This bill will not in any fashion change or control the actions or conduct of the affairs of the Upper Colorado River Commission.

Section 13

Section 13 removes from the jurisdiction of the Federal Power Commission the stretch of the Colorado River between Lake Mead and the present western boundary of Grand Canyon National Park until and unless otherwise provided by the Congress. This section of the bill renders inapplicable part I of the Federal Power Act (16 U.S.C. 791a-823), by which Congress had previously delegated to the Federal Power Commission authority to grant licenses for construction of hydroelectric power generating facilities by non-Federal entities on waters or lands subject to Federal jurisdiction.

The stretch of the Colorado River thus removed from Federal Power Commission jurisdiction includes Bridge Canyon, the site long considered for construction of a multiple-purpose reclamation dam most recently referred to as "Hualapai Dam." Practically all of the Central Arizona Project bills considered in the 90th and previous Congresses would have authorized the construction of Federal dams on the Colorado River. These so-called cash register dams would have developed the necessary electric power and energy to provide pumping power for the Central Arizona Project facilities. The remaining power would have been sold to provide revenues to aid in irrigation repayment.

The administration recommended in February 1967 that the Marble Canyon site be included in an enlarged Grand Canyon National Park and that consideration of the Hualapai site be deferred pending further study. During the hearings a number of organizations and individuals concerned with conservation issues testified in opposition to the construction of additional dams on the Colorado River. Also, the department of water and power of the city of Los Angeles raised a new issue by proposing that the Hualapai site be used for a pump storage project.

The purpose of section 13 is to reserve to the Congress the ultimate decision concerning the wisest use or combination of uses of the water and land resources of this stretch of the river.

The moratorium provided for under this section will furnish ample time to allow the National Water Commission to undertake its study of the alternative and best uses of our Nation's water resources. The results of the Commission's study will be available to the Secretary of the Interior and to the Congress, and should provide guidance and valuable information concerning the future use of the Hualapai Dam site.

A proposal to enlarge the Grand Canyon National Park to include the Marble Canyon site, as recommended by the administration, is the subject of separate legislation now before the committee for consideration.

Section 14

Section 14 is a statement of policy that, except as otherwise provided in this legislation, the Secretary, in constructing, operating and maintaining the Central Arizona Project, is to be governed by general Federal reclamation laws (32 Stat. 388, as amended and supplemented), and that this legislation upon enactment shall be a supplement to the reclamation laws.

Section 15

Subsection (a) specifies that all terms used in this bill and defined in the Colorado River compact shall have the meaning as defined in the compact.

Subsections (b), (c), (d), and (e) establish the specific meaning for the terms "main stream," "user" or "water user," "active storage," and "Colorado River Basin States" as used in this bill. These subsections apply to the use of these terms in this legislation only, and are not to be construed as general definitions for purposes of Federal reclamation law.

Section 16

Section 16 places a ceiling of \$768 million, plus or minus such amounts as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved under the project facilities authorized herein. The committee chose to retain the "October 1963" price figures because these are the figures which have been consistently used in documents and reports on the Central Arizona Project for the past 4 years. To change these figures by updating them to July 1967 prices for the purposes of this bill would cause confusion and render comparisons with previous proposals invalid.

The committee did request the Department of the Interior to furnish data on the percentage adjustment that would be involved in updating these figures. The Department indicates that a correction to July 1967 prices would be approximately 9.2 percent over the October 1963 prices.

The construction of irrigation distribution and drainage facilities for non-Indian lands is not included in the project costs because of the indeterminate service area and the wide variation in works which will be required for various portions of the service area and the possibility that the construction of these systems will be undertaken pursuant to the Distribution System Loan Act (69 Stat. 244, as amended) or the Small Reclamation Projects Act of 1956 (70 Stat. 1044, as amended) or other suitable program. It is intended that the works will be financed through separate repayment contracts and that neither the appropriations nor the repayment for such contracts will be treated as parts of the development fund.

IX. EXECUTIVE COMMUNICATIONS

The reports of the Bureau of the Budget and the Department of the Interior, dated April 28, 1967 on S. 1004 and related bills and the De-

partment of the Interior's letter of February 15, 1967, transmitting the Department's draft of a proposed bill "to authorize the construction, operation and maintenance of the Central Arizona Project, Arizona-New Mexico, and for other purposes," follow:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., February 15, 1967.

HON. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft of a proposed bill to authorize the construction, operation and maintenance of the Central Arizona Project, Arizona-New Mexico, and for other purposes.

We recommend that this bill be referred to the appropriate committee for consideration, and we recommend its enactment.

The draft bill would give effect to certain of the administration's recommendations for a lower Colorado River development program.

Specifically, the draft bill would—

1. Authorize the Central Arizona Project (including Hooker Dam in New Mexico) with provision for assistance in meeting repayment requirements in Arizona through (a) a \$10 per acre-foot average canalside irrigation rate, (b) a \$50 per acre-foot municipal and industrial water rate, (c) a small addition to the municipal and industrial water rate, or an ad valorem tax, or a combination of the two;

2. Make provision for low-cost pumping power for the Central Arizona Project through prepayment for the requisite capacity and associated transmission facilities in a large, efficient thermal plant to be constructed in the Southwest area by a combination of public and private utilities associated with Western Energy Supply and Transmission Associates (WEST);

3. Encompass programs for water salvage and recovery of ground water along and adjacent to the main stream of the lower Colorado River;

4. Remove the Hualapai (Bridge Canyon) and Marble Canyon sites from the operation of part I of the Federal Power Act.

In addition the administration makes the following recommendations:

- (a) Expansion of the Grand Canyon National Park to include the Marble Canyon site and the elimination of the latter development from the program;

- (b) Deferral of action on the Hualapai (Bridge Canyon) project at this time, reserving the question of disposition of the Hualapai site for future consideration by the Congress;

- (c) Establishment of the National Water Commission to reexamine the Nation's critical water supply problems, including the Colorado River Basin, as heretofore recommended by the administration.

The administration is committed to the authorization of the Central Arizona Project. If the State of Arizona is to put to use its entitlement of Colorado River water as adjudicated by the Supreme Court

in *Arizona v. California, et al.*, 373 U.S. 546 (1963), this project must be built. The Central Arizona Project should be undertaken now in order to slow the pace at which ground water resources in the central Arizona area are being exhausted.

Similarly, we are in agreement that studies of the long-range water supply problems of the Colorado River Basin should now be initiated in order that proposed solutions may be evolved and considered in a timely fashion.

The foregoing program will, we believe, provide the authorization necessary to meet the most immediate water development needs in the Lower Colorado River Basin area. At the same time, the studies of the National Water Commission will provide a background of information and advice against which long-range solutions to the region's water supply problems can be effectively evolved.

The segments of the Lower Colorado River that would be inundated by the Hualapai and Marble Canyon developments possess major scenic and wilderness values. Whether the benefits to be derived from construction of these projects are of sufficient importance to outweigh the retention of these areas in their present state has been one of the most vexing issues that has emerged in connection with consideration of Colorado River resource problems. After further consideration of all aspects of the matter, we have concluded that the highest and best use of the Marble Canyon site is to retain it in its natural state as an addition to the existing Grand Canyon National Park. Studies regarding the boundaries of the proposed addition to the park will be completed shortly and, as soon as possible, we shall transmit for the Congress' consideration a draft of a bill to carry out this recommendation. Pending action on it, we believe that legislation authorizing the Central Arizona Project should also remove the Marble Canyon site, along with the Hualapai site hereafter discussed, from the operation of part I of the Federal Power Act. If the necessary determinations can be completed in time, there would be no objection to including the park extension in the proposed legislation transmitted herewith.

Whether hydroelectric development of the Hualapai site should also be precluded permanently need not be decided at this time. Deferment of this decision need not affect construction of the Central Arizona Project since, under our recommendations, the central Arizona unit will not depend upon a mainstream Colorado River hydroelectric power development as a source of pumping power and financial assistance.

We, therefore, reiterate the recommendation made in our report of May 17, 1965, on H.R. 4671 and by the Bureau of the Budget in its report of May 10, 1965, on S. 75 and S. 1019, that consideration of the Hualapai site be deferred by the Congress pending evaluation of the issue by the National Water Commission.

In order to preserve congressional freedom of action with respect to Hualapai, part I of the Federal Power Act should be made inapplicable to it.

We believe that the National Water Commission should be authorized separately as provided by S. 20 which was passed by the Senate on February 6 and is now before the House Committee on Interior and Insular Affairs.

We believe the Commission is the appropriate entity to undertake and evaluation of basic issues relative to Colorado River water supply problems. The Commission would be directed by section 3(a) of the Senate-passed bill to—

- (1) Review present and anticipated national water resource problems, making such projections of water requirements as may be necessary and identifying alternative ways of meeting these requirements—giving consideration, among other things, to conservation and more efficient use of existing supplies, increased usability by reduction of pollution, innovations to encourage the highest economic use of water, interbasin transfers, and technological advances including, but not limited to desalting, weather modification and waste water purification and reuse;

- (2) Consider economic and social consequences of water resource development, including, for example, the impact of water resource development on regional economic growth, on institutional arrangements, and on esthetic values affecting the quality of life of the American people; and

- (3) Advise on such specific water resource matters as may be referred to it by the President and the Water Resources Council.

Advice and guidance on these matters, all relevant to the Colorado Basin's water problems, by a disinterested and objective Commission composed of outstanding citizens should provide background of great assistance in the formulation of specific proposals. The Commission can be expected to give prompt consideration to the problems of the Colorado River Basin. As President Johnson said in his message to the Congress on "Protecting our Natural Heritage" of January 30, 1967, in renewing his recommendation for the establishment of the Commission, "We must thoroughly explore every means for assuring an adequate supply of pure water to arid areas like the Southwest."

Under the previously proposed plan for the Central Arizona Project, which envisioned provision of pumping power and financial assistance from main stream hydroelectric power developments, all reimbursable costs would have been returned through financial assistance from power sales and average rates of \$10 and \$50 per acre-foot for irrigation and municipal and industrial water, respectively. This \$50 M. & I. rate included a component for irrigation assistance. Federal financing of a portion of a nonfederally owned thermal plant through prepayment for project power requirements would provide low-cost pumping power and would eliminate the necessity for financial assistance from main stream Colorado River hydroelectric projects.

Using the previously proposed average water rates, our studies estimate that under such a situation, the project cost would be repaid either by increasing the M. & I. rate to \$56 per acre-foot or by assessing the project service area in Arizona with an annual ad valorem tax levy which would come to 0.6 mills per dollar of assessed valuation if Pinal, Maricopa, and Pima Counties are included. The economic benefits of the project should manifest themselves in an increase in the area's wealth which, in turn, would be reflected in a growth of the tax base. All things considered, the increase in taxes would seem to be relatively modest.

Obviously, various combinations of the two alternatives of the municipal and industrial water charge and the ad valorem levy are pos-

sible. Decisions on the actual mix should be taken only in closest consultation with the State and local people concerned. The legislation we are suggesting will provide the requisite flexibility. The average \$10 per acre-foot canal-side irrigation water rate, which results in an average rate of \$16 per acre-foot at the farmer's headgate, however, is not capable of substantial adjustment. It represents the average repayment ability of the water users, given other necessary costs, reasonable profit allowances, and maintenance of the type of agriculture consistent with the objectives of the Federal reclamation program. Among the factors which restrict an upward thrust of the average irrigation water rate for the Central Arizona Project are the restraints proposed upon the expansion of irrigation and the lack of an assurance of a continuing water supply. Consequently, we contemplate retention of the \$10 rate, on the basis of current price levels.

This plan adheres to all present reclamation repayment policies. There are precedents for the use of a small M. & I. surcharge or ad valorem tax for irrigation repayment assistance. The Central Valley project in California is an example of the former. The Colorado River storage project and the Fryingpan-Arkansas project, both Upper Colorado River Basin projects, are among the latter, as is the Garrison diversion project in North Dakota.

While the prepaid purchase of pumping power from a non-Federal steam-electric plant would be a departure in reclamation history, the provision of pumping power for project use is, itself, customary. There are indications that Bureau of Reclamation cooperation in a non-Federal steamplant would be acceptable to the public and private generating utilities in the WEST organization.

Sections 1-7 of the enclosed draft of bill (attachment A) would give effect to the foregoing recommendations.

Colorado River legislation considered in the 89th Congress would have granted California a priority for the consumptive use of 4,400,000 acre-feet of water as against diversions for the Central Arizona Project in any year in which there is less than 7,500,000 acre-feet of main stream Colorado River water available for consumptive use in the three lower basin States of Arizona, California, and Nevada. In such event, diversions for the Central Arizona Project would also be curtailed in favor of existing users in Arizona and Nevada. This priority would persist until works are in operation capable of augmenting the flow of the main stream of the Colorado River below Lee Ferry by not less than 2,500,000 acre-feet annually. This interstate priority was arrived at by agreement of the States involved. Earlier, the Senate Interior and Insular Affairs Committee, in favorably reporting S. 1658 in the 88th Congress, provided a similar California priority as against the Central Arizona Project, but terminating in 25 years.

We believe the questions of whether there should be a statutory priority and of its terms are primarily for resolution by the States involved and the Congress. If agreement can be reached upon an interstate priority, the administration would offer no objection. The Bureau of Reclamation water supply studies, financial analysis, and feasibility determination for the Central Arizona Project have been made in the light of a priority of 4,400,000 acre-feet per annum for California uses and for existing rights and uses in Nevada and Arizona.

Payout assistance from a Lower Colorado River Basin fund would not be necessary under our proposal. However, if the Congress deems it appropriate to establish such a fund at this time to provide financial assistance for other future water developments for the lower basin, we perceive no objection thereto. Presumably, such a fund would include postamortization revenues from the existing Hoover and Parker-Davis projects, the Central Arizona Project, and such other Federal dams as may be subsequently constructed in the lower basin. The most recent step by the Congress in this direction was the establishment of a Columbia Basin account by section 2 of Public Law 89-448 of June 14, 1966. In the event the Congress concludes that a Lower Colorado River Basin development fund should be established at this time, we also transmit such a provision (attachment B) for consideration.

The following table compares the construction cost of the lower Colorado program we recommend be authorized with the cost of the construction authorizations contained in title III of S. 861, now before the Committee on Interior and Insular Affairs of the Senate, and of H.R. 3300, pending before the House committee:

	Administration recommendation	Title III, S. 861, and H.R. 3300
Hualapai (including Coconino silt retention dam).....		\$529,000,000
Paria silt retention dam.....		11,000,000
Central Arizona Project.....	\$580,000,000	580,000,000
Thermal prepay.....	92,000,000	
Water salvage.....	42,000,000	42,000,000
Fish and wildlife.....	5,000,000	5,000,000
Total.....	719,000,000	1,167,000,000

S. 861 would also authorize five participating projects under the Colorado River Storage Project Act, Animas-La Plata, Colorado-New Mexico, and Dolores, Dallas Creek, West Divide and San Miguel in Colorado. Similar authorizations are contained in H.R. 3300.

In transmitting the planning reports on these projects to the Congress, the Animas-La Plata and Dolores projects were recommended for immediate authorization. Deferral, pending the establishment and completion of review by the National Water Commission of related water problems, was proposed for the others. This proposed legislation would seem to be the appropriate vehicle to authorize the Animas-La Plata and Dolores projects. This could be accomplished by inclusion therein of a provision along the lines of section 501 of S. 861. In that event subsections (a) and (c) would be modified to omit the Dallas Creek, West Divide, and San Miguel projects. We would also propose to eliminate what is now subsection (d) of section 501 of S. 861 for the reasons stated last year in Commissioner Dominy's testimony before the House Committee on Interior and Insular Affairs on H.R. 4671. (See pp. 1343-1344, serial 89-17 pt. II, hearings before House Committee on Interior and Insular Affairs on Lower Colorado River Basin project.) We would offer no objection to the inclusion of provisions like sections 501 (b) and (e) of S. 861. Nor would there be objection to applying the "class 1 equivalency" concept to acreage limitations for the Animas-La Plata, Dolores, and Seedskaadee projects

(sec. 501(c), S. 861), in view of the high altitude and relatively short growing seasons of the areas involved.

In addition to the foregoing authorization of participating projects under the Colorado River Storage Project Act, S. 861 includes a number of provisions affecting upper and lower Colorado River Basin relationships. These provisions have largely been arrived at in the course of interbasin discussions and congressional consideration of earlier Colorado River bills. There is no objection to inclusion of the substance of these provisions in this legislation and the attached draft bill so provides, commencing with section 8.

The Bureau of the Budget advises that the enactment of the legislation to authorize the Central Arizona Project as herein proposed is in accord with the program of the President.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

ATTACHMENT A

A BILL To authorize the construction, operation, and maintenance of the Central Arizona project, Arizona-New Mexico, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. That this Act may be cited as the "Central Arizona Project Act."

SEC. 2. (a) For the purposes of furnishing irrigation water and municipal water supplies to the water deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, generation of electric power and energy, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall construct, operate, and maintain the Central Arizona project, consisting of the following principal works: (1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system shall have a capacity of two thousand five hundred cubic feet per second; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so operated as to not prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Number 59); (4) Hooker Dam and Reservoir; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueduct; (8) canals, regulating facilities, hydroelectric powerplants, and electrical transmission facilities; (9) related water distribution and drainage works; and (10) appurtenant works.

(b) The Secretary may enter into an agreement with non-Federal interests proposing to construct a thermal generating powerplant

whereby the United States shall acquire the right to such portion of the capacity of such plant, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the Central Arizona Project. Power and energy acquired thereunder may be disposed of intermittently by the Secretary when not required in connection with the Central Arizona Project. The agreement shall provide, among other things, that—

(1) The United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplant, and of any switchyards and transmission facilities serving the United States, as is represented by the ratios of the respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of preparation of designs and specifications, in such installments as will facilitate a timely construction schedule;

(2) Annual operation and maintenance costs, including provision for depreciation (except as to depreciation on the pro-rata share of construction cost borne by the United States in accordance with the foregoing subdivision (1)) shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing subdivision (1);

(3) Costs to be borne by the United States under subdivisions (1) and (2) shall not include (a) interest and interest during construction, (b) financing charges, (c) taxes (except for Social Security and other payroll taxes) including but not limited to real or personal property taxes, gross or net income taxes, and sales, use, and transaction privilege taxes, (d) franchise fees, and (e) such other costs as shall be specified in the agreement;

(4) The United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplant and appurtenances.

(c) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges, and, with the approval of the Secretary, State-administered wildlife management areas.

(d) (1) Irrigation and municipal and industrial water supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other arrangements whereby each said organization makes water from the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval and the United States shall, if the Secretary determines such action is desirable to facilitate carrying out

the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this subparagraph (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

(2) Any obligation assumed pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9(e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(e)) may be on the basis of delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes. Notwithstanding any other provisions of law no contract relating to an irrigation water supply under the Central Arizona Project from the main stream of the Colorado River shall commit the United States to deliver such supply for a basic period of more than fifty years for each project contract unit or irrigation block, nor shall such a contract carry renewal or conversion rights or entitle the contractor to water beyond expiration of the delivery periods specified therein. In negotiating new contracts for delivery of such main stream water, the Secretary shall consult with representatives of the State of Arizona and the Secretary shall take into consideration the overall water supply and needs of the Central Arizona project.

(3) Contracts relating to municipal and industrial water supply under the Central Arizona project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

(e) Each contract under which water is provided under the Central Arizona project shall require that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings, adequate in his judgment to prevent excessive conveyance losses; (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from lands located within the exterior boundaries of any Federal reclamation project or irrigation district receiving water from the Central

Arizona project for any use outside such Federal reclamation project or irrigation district, unless the Secretary and the agency or organization operating and maintaining such Federal reclamation project or irrigation district shall agree or shall have previously agreed that a surplus of ground water exists and that drainage is or was required; and (4) all agricultural, municipal and industrial waste water, return flow, seepage, sewage effluent and ground water located in or flowing from contractor's service area originating or resulting from (i) waters contracted for from the Central Arizona project or (ii) waters stored or developed by any Federal reclamation project are reserved for the use and benefit of the United States as a source of supply for the service area of the Central Arizona project or for the service area of the Federal reclamation project, as the case may be: *Provided*, That notwithstanding the provisions of clause (3) of this subsection, the agricultural, municipal and industrial waste water, return flow, seepage, sewage effluent and ground water in or from any such Federal reclamation project, may also be pumped or diverted for use and delivery by the United States elsewhere in the service area of the Central Arizona project, if not needed for use or reuse in such Federal reclamation project.

(f) The Secretary may require in any contract under which water is provided from the Central Arizona project that the contractor agree to accept main stream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system, to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (h) of this section: *Provided*, That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

(g) In times of shortage or reduction of main stream Colorado River water for the Central Arizona project, as determined by the Secretary, users which have yielded water from other sources in exchange for main stream water supplied by that project shall have a first priority to receive main stream water, as against other users supplied by that unit which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

(h) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources, in amounts that will permit consumptive use of water in New Mexico not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until and shall continue only so long as delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversions from the Gila River, its tributaries and underground water sources. In determining

the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved. All additional consumptive uses provided for in this subsection shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in the United States against Gila Valley Irrigation District and others (Globe Equity Number 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries and underground water sources, and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

SEC. 3. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Central Arizona Project works authorized pursuant to this Act shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 4. The Secretary shall determine the repayment capability of Indian lands within, under, or served by the Central Arizona Project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 464), and such costs as are beyond repayment capability of such lands shall be nonreimbursable.

SEC. 5. The interest rate applicable to those portions of the reimbursable costs of the Central Arizona Project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such project, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

SEC. 6. The Secretary may undertake programs for water salvage along and adjacent to the main stream of the Colorado River and for ground water recovery in the Yuma area. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary. No groundwater recovery program hereby authorized shall be undertaken until the Secretary of State has reported to the President on consultation which he may have had with the Government of Mexico pursuant to the Water Treaty of 1944 (Treaty Series 994) and the President has approved a definite plan report thereon.

SEC. 7. Part I of the Federal Power Act (16 U.S.C. 791a-823) shall not be applicable to the reach of the Colorado River between Lake Mead and Glen Canyon Dam until and unless otherwise provided by Congress.

SEC. 8. The Upper Colorado River Basin fund established under section 5 of the Act of April 11, 1956 (70 Stat. 107), shall be reimbursed from the Colorado River development fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 755), for all expenditures heretofore or hereafter made from the Upper Colorado River Basin fund to meet deficiencies in generation at Hoover

Dam during the filling period of reservoirs of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose \$500,000 for each year of operation of Hoover Dam and powerplant, commencing with the enactment of this Act, shall be transferred from the Colorado River development fund to the Upper Colorado River Basin fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin fund from net revenues derived from the sale of electric energy generated at Hoover Dam.

SEC. 9. (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994), the decree entered by the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774) or the Colorado River Storage Project Act (70 Stat. 105).

(b) The Secretary is directed to—

(1) make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1965. Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and to the Governors of each State signatory to the Colorado River Compact.

(2) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River Compact.

SEC. 10. (a) The Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River Storage Project Act and the Boulder Canyon Project Act, consistent with the provisions of those statutes, the Boulder Canyon Project Adjustment Act, the Colorado River Compact, the Upper Colorado River Compact and the Mexican Water Treaty. To effect in part the purposes expressed in this paragraph, the criteria shall make provision for the storage of water in storage units of the Colorado River Storage Project and releases of water from Lake Powell in the following listed order of priority:

(1) Releases to supply one-half the deficiency described in article III(c) of the Colorado River Compact, if any such deficiency exists and is chargeable to the States of the upper division.

(2) Releases to comply with article III(d) of the Colorado River Compact.

(3) Storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary

after consultation with the Upper Colorado River Commission and representatives of the three lower division States and taking into consideration all relevant factors (including, but not limited to, historic streamflows, the most critical period of record, and probabilities of water supply), shall find to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River Compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the lower division to the uses specified in article III(e) of the Colorado River Compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

(b) Not later than July 1, 1968, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than January 1, 1969, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1970, and yearly thereafter, the Secretary shall transmit to the Congress and to the governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the governors of the seven Colorado River Basin States and appropriate consultation with such state representatives as each governor may designate.

(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

SEC. 11. (a) Rights of the upper basin to the consumptive use of water apportioned to that basin from the Colorado River system by the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin.

(b) Nothing in this Act shall be construed so as to impair, conflict with or otherwise change the duties and powers of the Upper Colorado River Commission.

SEC. 12. Except as otherwise provided in this Act, in constructing, operating, and maintaining the Central Arizona project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388 and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

SEC. 13. (a) All terms used in this Act which are defined in the Colorado River Compact shall have the meanings there defined.

(b) "Main stream" means the main stream of the Colorado River downstream from Lee Ferry within the United States, including the reservoirs thereon.

(c) "User" or "water user" in relation to main stream water in the lower basin means the United States, or any person or legal entity, entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), to use main stream water when available thereunder.

(d) "Active storage" means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works.

(e) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming.

ATTACHMENT B

DRAFT PROVISION FOR "LOWER COLORADO RIVER BASIN DEVELOPMENT FUND."

SEC. —. All Federal revenues from the Boulder Canyon, Parker-Davis, Central Arizona and any other Federal reclamation projects hereafter constructed in the lower Colorado River Basin, which, after completion of the respective repayment requirements thereof, are surplus, as determined by the Secretary, to their respective operation, maintenance, and replacement requirements shall be kept in a separate fund in the Treasury of the United States, to be known as the Lower Colorado River Basin development fund, to be expended or applied in connection with water conservation and development for the Lower Colorado River Basin as may hereafter be prescribed by the Congress.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 28, 1967.

HON. HENRY M. JACKSON,
*Chairman, Committee on Interior and Insular Affairs, U.S. Senate,
Washington, D.C.*

DEAR MR. CHAIRMAN: This responds to your letter of April 5, 1967, requesting the views of the Bureau of the Budget on S. 861, S. 1242, and S. 1409, bills to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes, and on S. 1004, a bill to authorize the construction, operation, and maintenance of the Central Arizona Project, Arizona-New Mexico, and for other purposes.

The purposes of these bills are stated in their titles.

By letter of February 15, 1967, the Secretary of the Interior submitted recommendations to the President of the Senate on Colorado River legislation. The draft bill transmitted with that letter was introduced by you (S. 1013) on February 17, 1967.

S. 1013 reflects the position of the administration and, accordingly, we recommend that it be enacted in lieu of the bills on which our views were requested.

Sincerely yours,

WILFRED H. ROMMEL,
Assistant Director for Legislative Reference.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., April 28, 1967.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: Your letter of April 5 requested a report on S. 861, S. 1004, S. 1242, and S. 1409. These bills, like S. 1013, deal with Colorado River authorizations.

Our letter of February 15 to the President of the Senate submitted the administration's recommendations on Colorado River legislation. The draft bill transmitted with that letter was introduced by you (S. 1013) at our request on February 17. On the same date, Senator Hayden introduced a similar bill (S. 1004) on his own behalf and on behalf of Senators Fannin and Cannon as well as yourself.

Since the issues involved in Colorado River resource development are dealt with in depth in our letter of February 15, we request that that letter be considered as our basic report on these bills, and that this letter be regarded as in the nature of a supplemental report.

As indicated above, the differences between S. 1013 and S. 1004 are few. Both would (a) authorize the Central Arizona Project, (b) provide for water salvage programs and ground water recovery along the lower Colorado, and (c) cover a number of items of mutual concern to the Upper and Lower Colorado River Basins. The few differences between the two bills and our comments thereon are as follows:

(1) The Granite Reef Aqueduct of the Central Arizona Project would have a capacity of 2,500 cubic feet per second under the administration's recommendation (S. 1013), while the capacity is specified in S. 1004 as not less than 3,000 cubic feet per second.

Comment.—The Central Arizona Project originally was formulated on the basis of an 1,800-cubic-feet-per-second aqueduct having a diversion capacity of 1.2 million acre-feet per year. With the 4.4 million acre-feet priority to California in effect it would require an aqueduct capacity of 2,500 cubic feet per second to divert an average annual quantity of 1.2 million acre-feet over the 50-year payout period. Additionally, a 2,500-cubic-feet-per-second aqueduct would have a maximum diversion capacity of 1.6 million acre-feet in any 1-year which, together with other uses of Colorado River water by Arizona, would permit Arizona to use its full entitlement of 2.8 million acre-feet in those years when 7.5 million acre-feet of Colorado River water are available for consumptive use in the lower basin. A 2,500-cubic-feet-per-second aqueduct could be serviced by approximately 400 megawatts of thermal power. A 3,000-cubic-feet-per-second aqueduct would require an additional 70 megawatts, which would increase the prepaid purchase costs in a non-Federal steamplant.

(2) S. 1004 omits section 2(b)(3) of S. 1013 which provides expressly that costs to be borne by the United States under the Federal prepayment arrangements for thermal power to meet Central Arizona Project pumping requirements shall not include interest, financing charges, taxes or other similar items.

Comment.—These items could be omitted as a matter of negotiation even though no specific instruction to that effect is included in the

legislation. It may be that the specific language we have proposed is unduly restrictive in respect of items such as sales taxes on equipment and supplies if purchased outside the State in which the plant would be constructed.

(3) S. 1004 omits a provision included in section 2(d)(2) of S. 1013 which provides for a review of other requirements for water in the Central Arizona Project service area before irrigation water supply contracts may be renewed.

Comment.—The omitted provision is similar to a provision first included as section 107(e) of the draft bill transmitted with our report of April 9, 1964, to the Senate Committee on Interior and Insular Affairs on S. 1658 in the 88th Congress. Our report of May 18, 1965, to your committee on S. 75 and S. 1019, 89th Congress, also proposed its inclusion. We reiterate here what was said in that letter:

“Until such time as sufficient water is available to meet all demands, it is important that legislation authorizing new projects using lower basin Colorado River water include the mechanisms whereby the availability of water as between irrigation and municipal and industrial uses can be further considered from time to time. Irrigation water contracts should be of a definite term—long enough to justify investments and development to put the water to use, but nevertheless with a finite time limit—to provide the opportunity for reappraisal of the water situation at the end of the contract period looking to the dedication of water to its highest use at that time. We recognize that this is a departure from the permanent service requirement of the Boulder Canyon Project Act and the provisions of the act of July 2, 1956 (70 Stat. 415), providing for renewal of irrigation water delivery contracts. It is, however, in our view justified by the conditions now prevailing in the Southwest.”

(4) Section 6 of S. 1004 omits the requirement of the identically numbered section in S. 1013 requiring a report by the State Department and Presidential approval of a definite plan report before ground water recovery programs may be undertaken in the Yuma area.

Comment.—The Mexican Government has been concerned about possible adverse effects of ground water recovery in the Yuma area upon the flow of underground water across the international boundary. We do not propose to do more through these ground water recovery programs than to recover the recharge which occurs from surface irrigation in the Yuma area. Consequently, there will be no reduction in the ground water which would flow into Mexico in this area in the absence of irrigation on the American side of the border. However, in view of the concern of the Mexican Government, the administration believes the provision should be retained.

(5) S. 1004 omits section 7 of S. 1013 which would remove the reach of the Colorado River between Lake Mead and Glen Canyon Dam from the licensing jurisdiction of the Federal Power Commission.

Comment.—Our letter of February 15 to the President of the Senate recommends that Marble Canyon Dam be eliminated from the Colorado River development program and that consideration of Hualapai (Bridge Canyon) Dam be deferred pending study by the National Water Commission. Enlargement of Grand Canyon National Park to include the Marble Canyon site, as we have recommended, would, of

course, eliminate the need for this provision so far as concerns that site. However, it would still be necessary to place a moratorium on the Hualapai site to preserve the status quo pending final decision as to its disposition.

S. 861, S. 1242, and S. 1409 are similar in most respects, and have each evolved from H.R. 4671, 89th Congress, as reported out by the House Committee on Interior and Insular Affairs in August of last year. They are also similar in most respects to H.R. 3300 which is now before the House committee. Our reasons for proposing that the approach of these bills be dropped in favor of that taken by S. 1013 and S. 1004 are fully set out in our letter of February 15.

In summary, we recommend enactment of either S. 1013 or S. 1004, if amended to conform thereto. We recommend also that Grand Canyon National Park be enlarged as proposed in our letter of March 9 to the President of the Senate. As stated in our letter of February 15 to the President of the Senate, these bills would seem to be the appropriate vehicle to authorize the Animas-La Plata and Dolores projects.

The Bureau of the Budget has advised that there is no objection to the presentation of this supplemental report, and that the enactment of legislation to authorize the Central Arizona Project as proposed in our letter of February 15 to the President of the Senate and in S. 1013 is in accord with the program of the President.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

X. CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, S. 1004 as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman) :

ACT OF APRIL 11, 1956 (70 STAT. 105, AS AMENDED; 43 U.S.C. 620)

In order to initiate the comprehensive development of the water resources of the Upper Colorado River Basin, for the purposes, among others, of regulating the flow of the Colorado River, storing water for beneficial consumptive use, making it possible for the States of the Upper Basin to utilize, consistently with the provisions of the Colorado River compact, the apportionments made to and among them in the Colorado River compact and the Upper Colorado River Basin compact, respectively, providing for the reclamation of arid and semiarid land, for the control of floods, and for the generation of hydroelectric power, as an incident of the foregoing purposes, the Secretary of the Interior is hereby authorized (1) to construct, operate, and maintain the following initial units of the Colorado River storage project, consisting of dams, reservoirs, powerplants, transmission facilities and appurtenant works: Curecanti, Flaming Gorge, Navajo (dam and reservoir only), and Glen Canyon: *Provided*, That the Curecanti Dam

shall be constructed to a height which will impound not less than nine hundred and forty thousand acre-feet of water or will create a reservoir of such greater capacity as can be obtained by a high waterline located at seven thousand five hundred and twenty feet above mean sea level, and that construction thereof shall not be undertaken until the Secretary has, on the basis of further engineering and economic investigations, reexamined the economic justification of such unit and, accompanied by appropriate documentation in the form of a supplemental report, has certified to the Congress and to the President that, in his judgment, the benefits of such unit will exceed its costs; and (2) to construct, operate, and maintain the following additional reclamation projects (including power-generating and transmission facilities related thereto), hereinafter referred to as participating projects: Central Utah (initial phase), San Juan-Chama (initial stage), Emery County, Florida, Hammond, La Barge, Lyman, Navajo Indian, Paonia (including the Minnesota unit, a dam and reservoir on Muddy Creek just above its confluence with the North Fork of the Gunnison River, and other necessary works), **[Pine River Extension]** *Animas-La Plata, Dolores, Dallas Creek, West Divide, San Miguel, Seedskadee, Savery-Pot Hook, Bostwick Park, Fruitland Mesa, Silt and Smith Fork: Provided further,* That as part of the Glen Canyon Unit the Secretary of the Interior shall take adequate protective measures to preclude impairment of the Rainbow Bridge National Monument.

SEC. 2. In carrying out further investigations of projects under the Federal reclamation laws in the Upper Colorado River Basin, the Secretary shall give priority to completion of planning reports on the Gooseberry, **[Parshall, Troublesome, Rabbit Ears,]** Eagle Divide, **[San Miguel, West Divide,]** Bluestone, Battlement Mesa, **[Tomichi Creek, East River, Ohio Creek,]** Grand Mesa, **[Dallas Creek, Dolores Fruit Growers extension, Animas-La Plata,]** Yellow Jacket, *Basalt, Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomichi Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units), and Sublette (including the Kendall Reservoir on Green River and a diversion of water from the Green River to the North Platte River Basin in Wyoming), Uintah unit and Ute Indian unit of the Central Utah, San Juan County (Utah), Price River, Grand County (Utah), Ute Indian unit extension of the Central Utah, Gray Canyon, and Juniper (Utah) participating projects.* * * *

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MINORITY VIEWS OF MESSRS. KUCHEL, ALLOTT, AND HANSEN

I. INTRODUCTION

As Western Senators we are keenly aware of the necessity of an adequate water supply to the well-being and growth of any community. We will always support constructive water resource development legislation, but S. 1004 abandons the essential principles of good regional water resource development and substitutes narrow, sectional, short-term expediency. The bill is not in the long-range interests of Arizona, the other States of the Colorado River Basin, or the Nation.

S. 1004 lacks the major principles essential to a fair solution of the water challenge facing the Southwest. Those essential elements include: (1) recognition that the dependable water supply of the Colorado River system is insufficient to meet existing and committed uses, including the Mexican Water Treaty obligation; (2) effective steps to augment the inadequate flow of the Colorado River; (3) adequate protection of existing uses and investments against proposed new uses of the Colorado River; (4) authorization of Hualapai project; and (5) use of a development fund to help defray the costs of a future water augmentation project.

Secretary of the Interior Stewart L. Udall stated the problem very well in April 1964, in support of the Pacific Southwest water plan:

" . . . the water supply problems of the various sectors of the Pacific Southwest comprise, in fact, but one common closely interrelated problem. It follows that there should be a common, comprehensive, and coordinated solution. The answer to the water problems of the Pacific Southwest does not lie in a series of independent, uncoordinated actions. This can only lead to continued controversy and stalemate . . ." ¹

Authorization of the "stripped down" Central Arizona Project reported out by the committee would be the epitome of "uncoordinated action." Secretary Udall's latest proposal, embodied in S. 1004, is now generating the basinwide controversy that he himself predicted.

The predictable result of enactment will be a bankrupt river and a crippling of present water uses and potential development in other States of the basin.

II. CRISIS ON A WATER-SHORT RIVER

A. WATER SHORTAGES IN THE COLORADO RIVER BASIN ARE ACUTE

The bill reported by the committee completely ignores the harsh truth that the water supply of the Colorado River is inadequate to

¹ *Hearings on S. 1004 and Related Bills Before the Subcommittee on Water and Power Resources of the Senate Committee on Interior and Insular Affairs, 90th Cong., 1st Sess., 141 (1967).*

meet the inevitable future consumptive-use demands upon it. Addition of a new major project in the Lower Colorado River Basin, without commencing action for long-range solutions to the water supply problems of the entire basin, will only aggravate a situation that is unsatisfactory at the present time.

All of the studies indicate the early onset of a serious water shortage in the lower basin. They show that a real crisis is being faced by Arizona, California, and Nevada. The same crisis is coming closer and closer to the Upper Basin with each passing year.

Therefore, the fundamental issue facing the Congress is the water deficiency of the entire Colorado River Basin.

In its consideration of this legislation in the 89th Congress, the Committee on Interior and Insular Affairs of the House of Representatives studied three basic hydrologic reports on the Colorado River. These were prepared (1) by the Bureau of Reclamation, (2) by Tipton & Kalmbach, Inc., for the Upper Colorado River Commission, and (3) by the engineers of the States of Arizona and California. These reports drew the outlines of stark tragedy for a basin engaged in shuffling shortages rather than seeking long-range augmentation of its primary water supply. The committee said this:

1. The committee believes that the results of the studies submitted in testimony on this legislation place the water supply situation in the Colorado River Basin in proper perspective and that they demonstrate the limited magnitude of the water resource as accurately as possible. These recent analyses, having utilized longer periods of streamflow records and more refined techniques than those employed in the past, are probably more indicative of long-term water availability than are the results of earlier studies.

2. All of the studies indicate the presence of a serious water deficiency in the lower basin of the Colorado River; in fact, they show that a real crisis is being faced by Arizona, southern California, and Nevada. Furthermore, this same crisis is coming closer and closer to the upper basin with each passing year; therefore, the fundamental issue facing the Congress involves the question of the water supply deficiency of the entire Colorado River Basin.

3. All of the studies indicate that any large increase in use of water in the lower basin must, even now, be supplied in part from water apportioned by the compact to the upper basin, but which is presently unused by it. As the upper basin progresses with its development, the amount of unused water will diminish until ultimately no surplus upper basin water will be available for use in the lower basin. There will be available, however, a full water supply from the Colorado River for the central Arizona unit until some time during the decade 1990 to 2000, after which time, due to the priority guaranteed to California by the legislation and as a consequence of the increasing consumption of water in the upper basin, the supply will diminish unless augmented from other sources. In the absence of imported water, the average divertible supply of water for the central Arizona unit is estimated to be 900,000 acre-feet by the year 2000.

4. On the basis of the water supply studies furnished to the committee and on the testimony presented at the hearings, the committee concludes that the water supply of the Colorado River will neither be sufficient to meet the future requirements of the areas dependent upon it, nor to meet apportionments of the consumptive use of water made by the Colorado River compact to the upper and lower basins plus the delivery of water to Mexico as required by international treaty. It is only a question of time until the water requirements exceed the amount of water available. This condition will occur whether or not the central Arizona unit is built.

5. In order to provide assurances that the economy of the Southwest will not retrogress as its water supply progressively diminishes, the committee concludes that all forms of augmentation of those supplies—such as reductions in water losses, water conservation practices, desalination, weather modification, importations of water from outside the natural drainage basin of the Colorado River, and other means—should be investigated and thoroughly studied. These investigations and studies should be commenced at once and pursued diligently in order to avoid future disastrous effects upon the economy of the Southwest. The committee believes that the enactment and implementation of title II in the form it has been approved will meet this urgent need for investigations and studies, not only for the Colorado River Basin, but for the other areas of the Southwest as well.²

We believe that the distinguished House committee was right.

Lack of augmentation tightens criteria for authorizing projects

The other basin States went along with Arizona's promotion of the Central Arizona Project in the 89th Congress because the bill that Arizona then offered included realistic authorizations for investigation of means to increase the river's water supply, by importation, desalination, and so on. The experts agreed that, while the project could not be justified on the water supply actually available during the past 45 years, which averaged only 13.7 million acre-feet for all uses in both basins, there was a 50-50 probability that 14.9 million acre-feet might be available. The other States were persuaded to gamble on those odds, in the expectation that the same bill would give reasonable assurance that water would be added to the river in time to meet the Central Arizona Project's new demand if the natural supply fails to improve. But the present bill deletes all hope for construction of works to augment the river's natural water supply.

Supreme Court apportionment in Arizona v. California only conditional

It is important to keep in mind that the Supreme Court apportionment among the Lower Basin States is conditional, based upon available water supply.³ Arizona's apportionment is 2.8 million acre-feet per year, but *only if 7½ million acre-feet per year are available for consumptive use in the Lower Basin* after meeting the Mexican Water Treaty obligation and river losses.

² H.R. Rep. No. 1849, 89th Cong., 2nd Sess., 34 (1966).

³ *Arizona v. California*, 373 U.S. 546 (1963), (opinion); 376 U.S. 340 (1964) (decree).

Central Arizona Project dependent upon borrowed water

Unless water is added to the Colorado River from other sources, the Central Arizona Project can only obtain a full and permanent water supply by depressing further development in the Upper Basin, or by destroying existing uses in the Lower Basin, or both.

The deficiency, soon after the Central Arizona Project is built, will be at least 2.5 million acre-feet annually. The project must live on borrowed water and borrowed time. This is easily demonstrated.

Under the terms of the Supreme Court decree in *Arizona v. California*, Arizona's apportionment is 2.8 million acre-feet per year subject to the conditions which have just been noted. Arizona is presently consuming 1.2 million acre-feet annually of its maximum conditional apportionment. This leaves only 1.6 million feet from the maximum conditional apportionment available for use by the proposed Central Arizona Project. (The bill, as reported, would authorize a project designed to transport 2 million acre-feet annually.)

The availability of 1.6 million acre-feet for the Central Arizona Project is, of course, dependent upon the flow of water received at Lee Ferry from the Upper Basin. In order to count on this quantity, Arizona must assume that the annual flow at Lee Ferry will be at least 10 million acre-feet. If less than 10 million flows in at Lee Ferry, Arizona cannot have 2.8 million. This is because 2.5 million acre-feet of the Lee Ferry inflow from the Upper Basin cannot be used in the Lower Basin. (1.5 million must flow on through to Mexico, and another 1 million is evaporated in transit.) So, when the average inflow is less than 10 million, the residue is less than 7.5 million, Arizona, under the Court's decree, is not entitled to 2.8 million acre-feet unless the total available for herself, California, and Nevada is 7.5 million. And if less than 2.8 million is available for Arizona, then less than 1.6 million is available for the Central Arizona Project because the bill protects 1.2 million acre-feet of existing uses in Arizona, as against the Central Arizona Project. A Lee Ferry inflow of 10 million acre-feet, therefore, is necessary to supply 1.6 million acre-feet of new uses by the Central Arizona Project.

But the Upper Basin States emphatically deny that they are responsible for delivering 10 million acre-feet at Lee Ferry. The Upper Basin contends that the limit of its responsibility was set by the 1922 compact⁴ that its Lee Ferry delivery commitment is 7.5 million acre-feet annually, not 10 million, and that Arizona is both wrong and foolish to seek congressional authorization for a project which must depend upon the delivery of water at Lee Ferry in excess of the Upper Basin's responsibilities under the 1922 compact.

Whatever risky assumptions Arizona may wish to make with regard to the future availability of water for the Central Arizona Project, the Upper Basin does not believe that the Congress would ever purposely abrogate its previous ratification of the Colorado River compact,⁴ that its Lee Ferry delivery commitment is 7.5 million acre-feet previously passed Upper Colorado River Storage Project Act.⁵

A review of the hydrology statistics is illuminating.

⁴ Colorado River Compact of 1922.

⁵ 70 Stat. 105 (1956).

Over the years since the gages were installed at Lee Ferry in 1922, about 45 years ago, the "virgin flow" at Lee Ferry, if there had been no depletions at all in the Upper Basin, would have averaged only 13.8 million acre-feet annually. There is no dispute about this figure. Consequently, the residue available for use in the Upper Basin, if 10 million acre-feet flowed down to the Lower Basin, would be only 3.8 million, which must meet evaporation losses from Upper Basin reservoirs of about 700,000 acre-feet as well as supply all consumptive uses by Upper Basin cities, industries, and projects. But Upper Basin projects already existing or authorized would deplete the stream about 4.6 million acre-feet, and this would be increased to about 5 million acre-feet by the five Upper Basin projects included in S. 1004. Existing and authorized uses in the Upper Basin would have to be curtailed to support the new Central Arizona Project, absent an increase in the water supply.

The stifling of these uses would be intolerable to the Upper Basin States, and to the conscience of Congress. These States point to article III(d) of the compact, which requires the upper division not to deplete the flow at Lee Ferry below an aggregate of 75 million acre-feet in each period of 10 years. This is an average of 7.5 million annually, not 10 million. If the whole supply continued to be only 13.8 million (the average since 1922), the satisfaction of a delivery obligation of 7.5 million annually would leave only 6.3 million for use in the Upper Basin, or 5.6 million after deducting evaporation losses. Projects which are in an advanced planning stage, pursuant to congressional directives, will raise the Upper Basin depletions to more than 5.6 million acre-feet before the turn of the century. But Arizona insists that, in addition to this, the Upper Division must deliver each year at Lee Ferry an additional 750,000 acre-feet of water (plus losses) to satisfy one-half of the Mexican Treaty burden, solely because Arizona says that her own uses of her tributaries are exempt from that same burden under her construction of the compact. By coincidence or otherwise, the Secretary's water supply figures assume the same result, a minimum Lee Ferry flow of 8.25 million acre-feet. If so, the residue available for use in the Upper Basin, out of a supply of 13.8 million, and after meeting reservoir losses, would decrease to about 4.8 million acre-feet annually. This figure is getting close to the total requirements of the projects which are already existing and authorized in the Upper Basin, quite aside from the requirements of the five new projects added by this bill. Such a result would halt upper basin development at a stage nearly 3 million acre-feet short of the 7.5 million apportioned to that basin "in perpetuity" by article III(a) of the Colorado River compact. It scarcely needs to be said that the Upper Division States do not accept Arizona's interpretation of the Colorado River compact.

B. FROM THE UPPER BASIN VIEWPOINT: WHOSE WATER?

Throughout the years the Upper Division States (Colorado, New Mexico, Utah, and Wyoming) have placed complete reliance upon the Colorado River compact of 1922 and the Upper Colorado River Basin compact of 1948⁶ to protect: (1) the right of the Upper Colo-

⁶ Upper Colorado River Compact of 1948.

rado River Basin to develop the water apportioned to it as a whole, and (2) the right of each of the Upper Division States to conserve and utilize its share of the Upper Basin water. Their reliance has been, and still is, predicated upon absolute confidence in the approval by the Congress of these two keystone documents.

Due to several factors, among them the relatively slower rate of growth of the States of the Upper Basin as compared with the population and economic expansion of the Lower Basin, and political influences beyond the Upper Basin's control, the four Upper Division States have had to wait, to some extent, until the Supreme Court enforced resolution of differences between Arizona and California, before the Upper Basin could move ahead with its program of development of water and related land resources. For instance, it was not until the last lawsuit, *Arizona v. California*, was well underway that a real Federal program of water development could be initiated in the Upper Basin. It was not until 2 years after the Supreme Court finally decided that the Upper Basin States, as such, should not be impleaded as necessary parties in the lawsuit that Congress moved ahead with legislation approving an Upper Basin program.

In contrast to the entanglements of Lower Basin lawsuits, the Upper Division States made their own decisions pertaining to apportionment of water among themselves through the negotiation and effectuation of the Upper Colorado River Basin compact. By approving this compact for the Upper Basin States, Congress for a second time strongly expressed its intent to reserve and protect the development of the water resources of the Upper Basin and its individual States until the time when social and economic conditions proved their conservation and utilization to be necessary in the best interests of the region and the Nation.

As soon as these conditions were favorable, the Congress approved the Colorado River Storage Project Act of 1956. This act is a comprehensive, basinwide, and well-integrated program of water and related natural resource development for the States of Colorado, New Mexico, Utah, and Wyoming. In this act, Congress for the third time, without equivocation, expressed its intent to utilize the waters of the Colorado River system in the Upper Basin in the local, State, regional, and national interest by providing for additional homes, irrigation water, municipal and industrial water, recreational and job opportunities for a soaring population growth.

Since the passage of the Colorado River Storage Project Act, and particularly during the last 4 years since the 1963 Supreme Court decision in the latest suit, *Arizona v. California*, the Department of the Interior and Arizona have formulated numerous variations of plans to resolve the water resource problems of the Pacific Southwest region or for authorization of a Central Arizona Project. In 1963, the Secretary, responding to the urgency of the crisis, produced his first version of a report on a Pacific Southwest water plan.⁷ This report was circulated to the seven Colorado River Basin States, all interested Federal agencies and the Upper Colorado River Commission. This plan included resource investigations and a water augmentation

⁷ Departmental Task Force of the Department of the Interior, *Pacific Southwest Water Plan* (1963).

scheme for the Pacific Southwest. The plan envisioned a comprehensive, basinwide development, especially centered on the problems of the three Lower Division States (Arizona, California, and Nevada).

As the result of comments from entities that had reviewed the 1963 report, the Secretary in January of 1964 revealed a modified version of a Pacific Southwest water plan⁸ which was not so comprehensive as the original plan, but still broad enough to be basinwide in scope. A water supply augmentation concept and the construction of a large, revenue producing dam at Bridge Canyon on the Colorado River were integral parts of the Secretary's plan along with a basin development fund to finance the costs of solving the regional water supply shortage.

In 1965, largely through the efforts of the Secretary of the Interior, Arizona and California negotiators were able to agree on terms of a settlement of differences with regard to the use of water of the Lower Basin by a Central Arizona Project and a priority for 4.4 million acre-feet of existing water uses in California, in return for California's reduction of her consumptive uses to that level from a present level of 5.1 million acre-feet. Negotiations between the representatives of upper and Lower Basin States, with close participation by engineers and lawyers of the Department of the Interior, finally culminated in legislation introduced in the 89th Congress⁹ that, if enacted, would have provided a water supply for central Arizona by using, in part, presently used Upper Basin compact-apportioned waters—while simultaneously protecting existing water users in the Lower Basin and providing the initiation of a water augmentation program to assure the Upper Basin that it could recapture its water in the future at the times and in the quantities that it will be needed.

Although the guarantees in the 89th Congress legislative proposal were not ironclad, the Upper Basin States initially agreed to proceed with the legislation. Subsequently, Wyoming officially withdrew its support because of the erosion, during House action on this legislation, of the basic guarantees of augmentation upon which its original support had been predicated. The legislation was not enacted in the 89th Congress.

Bills recommended and supported by the Secretary of the Interior in the current session of Congress show conclusively that the Secretary completely reversed his previous stand in favor of regional development that would have offered some measure of protection to the future development of the water resources of Colorado, Utah, and Wyoming—the three Upper Division States with substantial amounts of Upper Basin water still remaining to be developed in accordance with the two Colorado River compacts and the Upper Colorado River Storage Project Act. Instead, the Secretary now supports a program on behalf of the present administration and Arizona without providing for the future of Colorado, Utah, and Wyoming except to ask them to depend upon such highly speculative processes as desalination of salt and brackish water or weather modification. Neither of these processes can be guaranteed at the present time from a technical, economic, or legal point of view.

⁸ Bureau of Reclamation of the Department of the Interior, *Pacific Southwest Water Plan* (1964).

⁹ H.R. 4671, 89th Cong., 1st sess. (1965) and companion measures; S. 1019, 89th Cong., 1st Sess. (1965).

Colorado, Utah, and Wyoming refuse to have their Colorado River compact water rights, once believed sure and gilt-edged securities, transmuted into blue-sky speculations in this manner. We deplore the unjustified abandonment by the Secretary of the Interior of his traditional role as conservator of the resources of the entire United States—including our great Southwest region. We recognize clearly that the water that would be borrowed now from our three Upper Division States to make possible a Central Arizona Project under the terms of S. 1004 would stimulate great social and economic benefits in Arizona, but it would do so at the expense of the water imported from the Upper Basin. These benefits to Arizona, from use of Upper Basin water, would total billions during the payout period, according to economic justification studies by the Department. We are further cognizant of the fact that on several occasions during the past few years the administration has reversed itself with regard to this very legislation. We are also acutely aware of the economic strangulation that could become the legacy of three States of the Upper Basin if water borrowed by Arizona by legislative act in 1967 could not be returned when needed.

Because one Congress cannot bind another Congress under our system of government, we cannot condone the implications of S. 1004 that will place our States' future in jeopardy, if the same bill does not include solid assurances of the addition of new water to the river. The Upper Basin States must face squarely the likelihood that in some future lawsuit Arizona will urge the Supreme Court, in the interest of protecting a then-existing expanded economy in Arizona, to re-write the documents that constitute the present "law of the river," and that the three less-developed States of the Upper Basin will not be in that fortunate a tactical position. The compact was entered into to guard against that very contingency. But Arizona persuaded the Supreme Court to sever the Colorado River compact from the Boulder Canyon Project Act,¹⁰ into which the Upper Basin Senators thought they had inseparably interwoven it. Arizona has also served notice that she intends to persuade the Supreme Court that, when Congress gave its consent to the compact in 1928, it imposed a new construction on it, which excluded Arizona's tributaries from the Mexican Treaty burden¹¹ and thereby enlarged the Upper Basin's share of that burden. Arizona apparently hopes to urge these interpretations from the vantage point of protecting the investment that Congress is about to make in her project.

The Upper Basin States serve notice that the enactment of this bill does not resolve that issue in Arizona's favor. But our own people should be aware that the authorization of the Central Arizona Project will inevitably create a water shortage which that project's sponsors quietly hope can be resolved by importing water from the Upper Basin in excess of the quantities countenanced by the law of the river or its underlying legislative history. The people of the Upper Basin would be foolish to help create that Frankenstein unless the same bill assured us that the water for central Arizona will be supplied by importations

¹⁰ 45 Stat. 1060, 43 U.S.C. § 617d(c).

¹¹ The Treaty with Mexico Relating to Waters of the Colorado and Tijuana Rivers and of the Rio Grande, Feb. 3, 1944, known as the "Mexican Water Treaty," requires the delivery of a minimum of 1.5 million acre-feet annually to Mexico.

from outside the Colorado River Basin, not from Colorado, Utah, and Wyoming. S. 1004 conspicuously fails to give that assurance because it pointedly omits authorization for investigation, not only of importation potentialities, but even of the very need for more water in the Colorado River Basin. Moreover, it excises Hualapai Dam, the essential source of the funds to finance that rescue. Words put into the bill to placate the Upper Basin, after deleting all recognition of water shortages and means to cure them, are like paint applied to a car from which the engine and transmission have been removed.

C. FROM THE LOWER BASIN VIEWPOINT: NEED FOR PROTECTION OF EXISTING USES

We have already discussed the water shortage problem from the viewpoint of the upper basin. Turning to the lower basin the other side of the coin is equally disturbing. We have seen that 10 million acre-feet must flow past Lee Ferry each year if the Central Arizona Project is to have a 1.6 million acre-foot supply without destroying existing uses in the lower basin. It follows that if the Lee Ferry flow is curtailed to 7.5 million acre-feet, the III(d) minimum, as the upper division States insist they have a right to do, the shortage will be 2.5 million, because this much of the Lee Ferry flow is not available for use in the Lower Basin, being destined for Mexico or losses en route. Only 5 million acre-feet, or at most 5.75 million if Arizona succeeded in saddling the Upper Division States with half of the treaty burden, while exempting her own tributaries from that burden, would be available for satisfaction of the 7.5 million which the Supreme Court conditionally apportioned among Arizona, California, and Nevada *if 7.5 million are available*.

It is essential to understand that the Supreme Court decree requires first priority satisfaction of "present perfected rights." These are rights which were established before Hoover Dam was authorized, and (quite unlike the formula proposed by the special master) restricts the scope of any shortage formula to the quantity of water remaining available in excess of present perfected rights. As these perfected rights amount to about 4 million acre-feet¹² of the 5 million, or 5.75

¹² Effect of the Supreme Court Decree in *Arizona v. California*: Quantities of consumptive use conditionally apportioned by Article II(B) (1) of the Decree (Column 2) if 7.5 million acre-feet is available; quantities of "present perfected rights" claimed pursuant to Article VI (Column 3); and claims against "amount remaining available" (Column 4) for apportionment pursuant to Article II(B) (3) by the Secretary or Congress, if the total supply is less than 7.5 million.

State	Apportioned by art. II(B)(1) of decree if 7,500,000 is available	Claims of "present perfected rights" to be satisfied from apportionment	Claims per art. II(B)(3) against "water remaining available" in excess of quantities required to satisfy present perfected rights
(1)	(2)	(3)	(4)
Arizona.....	2,800,000	780,139	2,019,861
California.....	4,400,000	3,105,674	1,294,326
Nevada.....	300,000	6,567	293,433
Total.....	7,500,000	3,892,380	3,607,620

million, available, it is clear that any shortage formula which the Secretary, the Congress, or the Supreme Court may devise, could operate only upon some quantity between 1 million and 1.75 million acre-feet. That is to say, the portion of the whole 5 million acre-feet, or 5.75 million if Arizona prevails in her contention against the Upper Division States regarding the Mexican treaty burden, which would remain available after satisfying 4 million acre-feet of present perfected rights.

This being the case, it is obvious that no conceivable shortage formula could find enough water on a permanent basis in this restricted residue, the excess above present perfected rights, to supply 2 million acre-feet to the Central Arizona Project, the quantity that a 3,000-cubic-foot-per-second aqueduct would transport, *plus* water for Arizona's existing projects. Those old Arizona projects, which the bill properly gives priority against the Central Arizona Project, require over 1.2 million acre-feet of water annually. Moreover, any shortage formula which gave to Arizona all of the water available in excess of present perfected rights, and gave nothing at all to California and Nevada, completely drying up the southern Nevada projects, Coachella Valley County Water District, and the Metropolitan Water District of Southern California, would not be tolerated by the Congress or the Supreme Court.

Notwithstanding these grim water supply figures, States of the Colorado River Basin, other than Arizona, reluctantly agreed in the 89th Congress to support a bill to authorize a Central Arizona Project, which was substantially smaller than the one now proposed, on three major conditions, all of which, along with other elements of a sound regional approach, are scuttled by the committee's bill. These deserve reiteration:

1. The bill must launch meaningful investigations of means to add at least 2.5 million acre-feet annually to the river on terms fair to the areas of origin. Whenever that water arrives, both basins would be relieved of the Mexican treaty burden. This would be a national obligation, the cost of satisfying it to be nonreimbursable. The present bill deletes all of these provisions.

2. The bill must authorize Hualapai Dam and powerplant to generate revenues to finance that importation program. This bill strikes out that essential feature, too.

3. If the Central Arizona Project is built before imported water arrives to offset the shortage which that new project would create, the Central Arizona Project must bear that risk, not cast it upon potential uses in the upper basin or upon Nevada or California—recognizing that, as a result of the 1928 Boulder Canyon Project Act, California's existing uses of 5.1 million acre-feet per year can be protected only to the extent of 4.4 million. Arizona's bill in the 89th Congress, H.R. 4671, contained this protection, and for that reason California supported it. S. 1004, as reported, gives Arizona's existing water uses explicit and unlimited protection against the Central Arizona Project, give no protection at all to Nevada's existing and authorized projects, and limits protection for California's 4.4 million acre-feet to 27 years. This is almost precisely the date when it is now

calculated that the protection would become necessary if no imported water arrives.

S. 1004 fails to adequately protect California water uses

California's citizens have spent or committed more than half a billion dollars of their own money on Colorado River water projects in developing their existing economy. Those projects and that economy must be protected within the framework of the "law of the river." The protection is, of course, subject to the limitation imposed on California's protection by the Boulder Canyon Project Act; that is, to 4.4 million acre-feet per year out of the 5.1 million acre-feet presently used. In 1928 Congress required California to so limit her uses by act of her legislature¹³ if Hoover Dam, which Arizona opposed, was to be built without Arizona's ratification of the compact. Arizona now proposes, in effect, substitution of a lesser figure, abrogating the 1928 agreement between the Congress and the California Legislature which was imposed on California solely in consequence of Arizona's obduracy in rejecting the Colorado River compact. (She continued her rejection of it for another 16 years, until 1944.)

The provisions of S. 1004, section 2(a), emasculate not only the bargain of 1928 but that of 1965. The bill cuts off all protection of California projects at the end of 27 years, or at about the time when engineers tell us that the odds favor the occurrence of shortages. Such a provision is similar to an insurance policy which lapses on the death of the insured.

Furthermore, although S. 1004 would cut off all protection of California's projects at the end of an arbitrary 27-year period and provide no protection at all to existing water uses in Nevada, it would continue to protect in perpetuity the presently existing Arizona projects as against the Central Arizona Project. Should equities differ on opposite sides of the same river? The bill also protects in perpetuity existing uses on the Gila River against new uses to be made possible by the Central Arizona Project. Should equities differ on the two streams?

S. 1004 denies protection for Nevada water users

Moreover, since the bill denies existing uses in Nevada the protection so carefully given in perpetuity to existing water users in Arizona, what happens to the Federal investment in the southern Nevada project, recently authorized,¹⁴ if lack of such protection to Nevada water users precludes repayability?

Senate should restore protection to present water users

The Senate should restore the protection of existing uses agreed upon in 1965 in negotiations between California and Arizona. That agreement is embodied in section 305 of S. 861, S. 1242, and S. 1409, the regional bills, in Senate Amendment 214 to S. 1004, and in the pending companion House bill, H.R. 3300 by Congressman Aspinall. Section 305 of the regional bills provides that in any year in which there are less than 7.5 million acre-feet available for consumptive use from the main Colorado River in Arizona, California, and Nevada, the Central Arizona Project's diversions shall be so limited as to

¹³ California Self-Limitation Act, Cal. Stats. 1929, Ch. 16, pp. 38-39.

¹⁴ 79 Stat. 1068 (1965).

assure water to supply the requirements of all existing projects in Arizona and Nevada, and of existing projects in California, to the extent of 4.4 million acre-feet. This priority for existing projects, as against the proposed Central Arizona Project, would terminate when 2.5 million acre-feet of surplus water is imported from another source into the Colorado River.

Termination of the protection upon arrival of imported water is in itself a major concession by California and the Metropolitan Water District of Southern California. S. 2760, introduced in the 88th Congress in 1964, contained provisions making the Central Arizona Project rights junior in perpetuity to all senior existing rights to waters of the main stream in Arizona and Nevada and to 4.4 million acre-feet a year of existing rights in California. In 1965, following extensive negotiations, California made a compromise proposal, accepted by Arizona *on the recommendation of Secretary Udall*, that the seniority of existing rights (except present perfected rights as determined under the Supreme Court decree in *Arizona v. California*) would terminate when water supply augmentation works were declared by the President to be completed and in operation to deliver not less than 2.5 million acre-feet a year to the main stream of the Colorado River from an outside source. California made that concession in its desire to see meaningful steps taken toward a regional program that would lead to resolution of the water problems of the Southwest as a whole. The protective agreement was part of the regional program which was embodied in the last session of Congress in H.R. 4671 and in S. 861 and in similar bills in the present 90th Congress. California, in fairness to its water users, can retreat no further in this regard.

Effect of the shortage formula to which Arizona agreed in the 89th Congress

The effect of protecting water uses in the Lower Basin in the manner proposed in our bills would be that when the water supply available from the lower main stream for use in the United States drops to 7.5 million acre-feet a year, the Metropolitan Water District of Southern California would lose 660,000 acre-feet of its present supply of 1.2 million acre-feet before Arizona would lose any water at all. The Central Arizona Project would bear the next share of the shortage if the supply should drop below 7.5 million acre-feet annually before the Colorado River supply is augmented.

This protection of existing projects, denied in S. 1004 but included in our regional bills, is fair and logical. It applies to projects in all three of the Lower Basin States. It would implement, not amend, the decree in *Arizona v. California*; it falls expressly within the congressional authority described by the Supreme Court in its opinion in the suit; and it would relieve the Secretary of the burden of making shortage allocations. Protection of existing rights against new uses is the principle which the Arizona Legislature has insisted be applicable for the protection of existing rights in Arizona against the proposed Central Arizona Project,¹⁵ a principle which is carried over into S. 1004 with regard to Arizona projects.

¹⁵ Arizona laws 1962, Ch. 39, Sec. 2, at 108; Arizona laws 1962, Ch. 109, Sec. 1B, at 258.

Arizona recognized fairness of protecting existing water users

In the past Arizona, herself, has recognized the fairness of protecting existing rights to use water in the lower basin States. Governor Osborn, in reply to a letter from Governor Warren of California, said on March 12, 1947:

Arizona recognizes the right of California to use the quantity of water to which California, by the statutory agreement, is forever limited.

In a subsequent letter to Governor Warren dated May 23, 1947, Governor Osborn stated:

California has unconditionally and irrevocably limited herself forever to the quantity of water set out in the California Self-Limitation Act. Arizona has by contract recognized the right of California to the quantity of water set out in that act and Arizona does not intend to and will not attempt to utilize water to which California is entitled. Arizona respect her commitments.

These statements by the Arizona Governor followed 1930 testimony by Senator Hayden in which the Senator said that—

What will happen is that the waters of the Colorado River will be impounded in the Boulder Canyon Reservoir and made available for use; large quantities of water will be taken out of the Colorado River into the great All-American Canal; over 1 million acre-feet will be further taken out of the river by a pumping plant, and taken over into the coastal plain of California in the vicinity of Los Angeles; they will be put to beneficial use; and once having acquired the prior right to its use, no other State can obtain the use of those waters.¹⁶

When Governor Osborn proposed to his legislature that Arizona ratify the Colorado River compact in 1943 he further stated:

Now, of course, we would like to take from California some of that 4,400,000 acre-feet of water, but neither unrecognized filings against it nor wishful thinking on our part can accomplish that * * *. The Federal Government, having expended tens of millions of dollars of the people's money to provide irrigation and power facilities for the use of this water in one State will not wipe out that investment and divert that water to another State. Arizona cannot compel that any more than we can turn back the pages of history. The time is long since past when Arizona could obtain the water which California has already put to beneficial use.¹⁷

If Arizona is willing and able to reach satisfactory agreement with her Lower Basin neighbors with regard to protection of existing uses of water in California and Nevada and can provide a procedure guaranteeing that water resource development in the upper basin can

¹⁶ *Hearings on H.R. 12902 Before a Subcommittee of the Senate Appropriations Committee, 71st Cong., 2d Sess. 171 (1930).*

¹⁷ *Ariz. Senate Journal, 16th Legis., 1st Spec. Sessi 1944 at 16.*

safely proceed simultaneously with the Central Arizona Project there is every reason to believe that we can give future, positive consideration to legislative measures in lieu of S. 1004. It is only under such a mutual community relationship that legislation of this type can be supported by our States.

D. THE MEXICAN TREATY BURDEN MUST BE MADE A NATIONAL OBLIGATION

Omitted from S. 1004 is any relief for the seven Colorado River Basin States from the burden of the Mexican Water Treaty. Congress should recognize the responsibility for delivering water from the Colorado River to Mexico as a national obligation. The seven basin States should be relieved of any further obligation to deliver water to Mexico under article III(c) of the Colorado River compact. This is another major reason why studies of a water supply augmentation program should be instituted in this legislation. The Bureau of the Budget has already agreed that the treaty burden is a national obligation, and that costs associated with the importation of water to service the Mexican Treaty should be made nonreimbursable.¹⁸

III. REGIONAL COOPERATION: A CONSTRUCTIVE SOLUTION TO THE BASIN'S THIRST

The other States of the basin have water problems as well as does Arizona. We have the strongest sympathy for our neighbors in Arizona—but the problems of the Colorado River Basin are not the problems of Arizona alone. They are the problems of seven States. A single-State approach to their resolution is out of the question; it must be regional in concept and effect. Nothing but a broad, regional plan has any chance for success because on this scanty river, which is rapidly being depleted to the last drop, there are too many interrelated problems, involving too many States, too many interests, and too many people. A single nail is not sufficient to hold a house together.

A. PREVIOUS REGIONAL APPROACH

The Secretary of the Interior met the issue boldly in his 1963 report entitled "Future Water Resource Development in the Lower Colorado River Basin," when he said: "The inadequacy of the Colorado River system to meet this region's continuing and rapidly growing water needs is already evident." The Secretary said that the availability of additional Colorado River water to Arizona, "*is no solution at all to the regional water problems [because] it merely temporarily moves the shortage from one place to another.*"¹⁹ He was right. But that is exactly what this bill now does. It is a sad retreat from greatness.

Responding to the Secretary's leadership of yesteryear, representatives of the seven basin States, the Upper Colorado River Commission, and many water and power agencies have worked many thou-

¹⁸ Letter from Elmer B. Staats, Deputy Director, Bureau of the Budget, to Hon. Henry M. Jackson, Chairman, Committee on Interior and Insular Affairs, U.S. Senate, dated May 10, 1965.

¹⁹ Department of the Interior, *Future Water Resources Development in the Lower Colorado River Basin*. (1963).

sands of man-hours and traveled thousands of miles since his 1963 message, in attempting to develop the terms of Southwest regional legislation that could be supported by all seven basin States. In the 89th Congress, success seemed achieved. Identical bills incorporating the results of these negotiations were introduced by all three Members of Arizona's House delegation, 35 Members of California's delegation in the House, and California's two Senators.²⁰ This bill was reported by the House Committee on Interior and Insular Affairs as H.R. 4671, 89th Congress. The bill did not reach the House floor for a vote, or that of the Senate. The primary reason was that word had reached Congress that the Secretary had reversed himself. He was constrained by instructions from a higher source to abandon all proposals for his investigation of water shortages and importation works, and to abandon Hualapai as well as Marble Canyon Dams.

The committee bill, S. 1004, by Senator Hayden, of Arizona, presents the Secretary's new visage. The administration has repudiated the results of many months of difficult and complex negotiations by some of the best water engineers and attorneys in the United States. It has destroyed the agreement which had brought peace and cooperation to the Colorado River Basin, displacing 45 years of strife. Nevertheless, four basin States: Colorado, Wyoming, California, and Utah refuse to give up hope of a regional solution to the Colorado River Basin's water problems, which S. 1004 would worsen.

B. PRESENT REGIONAL APPROACH

Bills introduced in the present Congress, S. 861 (Kuchel), S. 1242 (Allott), S. 1409 (Moss), and H.R. 3300 (Aspinall, in the House), restore and reaffirm a region-oriented approach developed through water statesmanship of the States of the Colorado River Basin, formerly led, but now rejected, by the Secretary of the Interior.

On June 23, 1967, amendment 214, an amendment in the nature of a substitute for S. 1004, was introduced, sponsored by Senators Allott, Bennett, Dominick, Kuchel, Moss, and Murphy. (An identical amendment, No. 212, was introduced by the same Senators.) On the same day Senators Hansen and McGee introduced amendment 213, another amendment in the nature of a substitute for S. 1004. Amendment 213 is identical in most major respects to amendment 214. Both substitute amendments were offered in the Interior and Insular Affairs Committee; both were defeated. If the committee had accepted one of the substitute bills the Senate would have pending for its enactment a bill, sponsored by the Senators from Colorado, Utah, Wyoming, and California, containing the basic principles essential to a true regional solution for a regional water resource problem. Thus:

(1) The amendment sponsored by the basin States, unlike this bill as reported, gives recognition to the undisputed fact that the dependable available water supply of the Colorado River system will never be adequate to overcome the imbalance between that natural supply and the water demands of the vast storehouse of other natural resources. The Mexican water treaty burden would

²⁰ H.R. 4671, 89th Cong., 1st Sess. (1965), and companion measures; S. 1019, 89th Cong., 1st Sess. (1965).

be lifted from the backs of the seven Colorado River Basin States and filled as an obligation of the U.S. Government, which it truly is by its origin and nature.

(2) Realistic initial steps would be taken to augment the inadequate flows of the Colorado River.

(3) Priority of right of existing investments would be recognized as against water shortages that would be caused by the Central Arizona Project.

(4) Authorization of the Hualapai project as a 5-million-kilo-watt pump-storage peaking installation, one of the Nation's greatest powerplants, would be accomplished.

(5) A development fund would be created by using revenues derived from hydroelectric generation at Hualapai Dam to help repay the costs of water supply augmentation. Over a 75-year period this development fund would accrue about a billion dollars more than the comparable fund in the committee bill.

An analysis of the basin States' amendment 214 to S. 1004, in the nature of a substitute, is to be found in appendix A to these views.

An analysis of amendment 213 to S. 1004 showing the points of difference between amendments 213 and 214 is included as appendix B. The major difference between these two carefully drawn substitute bills is the insistence of Wyoming (in amendment 213) on greater assurance that the importation works will be built, not just investigated, concurrently with construction of the Central Arizona Project. Wyoming does not relish the risk that its destiny, with the waters of its Green River, shall be deeded to Arizona, leaving Wyoming desert so that the deserts of Arizona may become green with Wyoming water. Colorado and Utah do not differ with Wyoming in this; they have reluctantly gone a little further toward an accommodation with Arizona which that State has rejected.

C. INVESTIGATIONS AND PLANNING FOR WATER SUPPLY AUGMENTATION MUST BEGIN NOW

S. 1004 deletes all authorization for investigation of importation of water into the water-short Colorado River Basin.

Section 2 of S. 1004 sets forth the purposes of the bill, the principal purpose being to furnish irrigation and municipal water to Arizona and western New Mexico. Ignored is the welfare of millions of people in California, Colorado, Utah, Wyoming, and Nevada. The bill simply shifts the water shortage from one area to another.

Any large increase in the use of water in the Lower Basin must, even now, be supplied in part from water apportioned by the compact to the Upper Basin, but which is presently unused by it. As Upper Basin development progresses, the amount of unused water will diminish until no surplus Upper Basin water will be available for use in the lower basin.

It cannot be overemphasized that 2.5 million acre-feet of water must be added to the river to make possible the consumptive use of the 7.5 million acre-feet conditionally apportioned by the Supreme Court among Arizona, California, and Nevada whenever the Upper Basin depletes the river's flow at Lee Ferry to the compact minimum of 75

million acre-feet per 10-year period.²¹ This is because the United States must deliver 1.5 million acre-feet to Mexico, and another million acre-feet are evaporated in transit.

It seems absurd to create a new use on the Colorado River, without solving the underlying problem thereby aggravated—the lack of sufficient water in the river to meet the demands upon it, if the Colorado River compact is respected. Study of an importation program must commence now, if the Central Arizona Project is to be authorized now.

While other methods of augmenting the river's flow, such as desalination of seawater and weather modification, can offer speculative hope of some future relief, it is manifest that in the present or foreseeable future only the importation of large amounts of water from areas of surplus offers realistic hope of solving the problem. The critical element of time requires immediate investigation of interbasin exchanges of water. It would be improvident planning to rely on wishful, dramatic, but as yet high speculative breakthroughs in techniques of desalination or weather modification.

We believe that without specific directions, the likelihood of fair and objective studies ever being accomplished is extremely remote. Our belief was reinforced at our May, 1967, hearings on S. 1004 and related bills by the following colloquy:

Senator CHURCH. [Secretary Udall] I wrote to you at that time—in 1963—a letter which I think perhaps you will recall. The last paragraph of that letter reads as follows:

“It is inevitable that the sponsors of this most recent California scheme will seek to involve the Federal Government in their plans. For this reason, I make the request that you issue a definitive statement of the Administration's position respecting this Los Angeles proposal to divert Idaho water to Southern California.

Under date of December 9, 1963, you replied to my letter, and the last paragraph—well, your reply was rather short—so let me read it all into the record:

“DEAR SENATOR CHURCH: This is in reply to your letter of November 21 concerning the Los Angeles proposal to divert Snake River water to the south.

²¹ Articles III(d) of the Colorado River compact provides:

“(d) The States of the Upper Division will not cause the flow of the river at Lee Ferry to be depleted below an aggregate of 75,000,000 acre-feet for any period of ten consecutive years reckoned in continuing progressive series beginning with the first day of October next succeeding the ratification of this compact.”

Article III(c) provides:

“(c) If, as a matter of international comity, the United States of America shall hereafter recognize in the United States of Mexico any right to the use of any waters of the Colorado River System, such waters shall be supplied first from the waters which are surplus over and above the aggregate of the quantities specified in paragraphs (a) and (b); and if such surplus shall prove insufficient for this purpose, then, the burden of such deficiency shall be equally borne by the Upper Basin and the Lower Basin, and whenever necessary the States of the Upper Division shall deliver at Lee Ferry water to supply one-half of the deficiency so recognized in addition to that provided in paragraph (d).”

Arizona contends that her uses of the Gila and other tributaries are to be excluded in the calculation of the “surplus” referred to in article III(c). The upper division States contend to the contrary. If Arizona's contention were sustained, the effect would be to require the upper division States to add to the flow at Lee Ferry water to supply one-half of the Mexican burden, that is, one-half of 1.5 million, plus associated losses in transit. If the upper division contention were sustained, these States would not have to add to their III(d) releases to supply water to Mexico; all of the Mexican burden, instead of one-half thereof, would be supplied by the lower basin. California contends that if the lower basin's Mexican burden is increased in consequence of Arizona's use of her tributaries, the resulting lower basin shortage is to be debited to Arizona in any allocation of shortages pursuant to article II(B)(3) of the decree of the Supreme Court in *Arizona v. California*.

"As you know, the suggestion that the Snake River in Idaho could provide a source of water for Southern California was advanced by an official of the Los Angeles Department of Water and Power. The water needs of the Southwestern United States are critical, and it is in the national interest that they should be satisfied.

"However, I fully agree that it would be the height of folly to create a water shortage in Idaho in order to relieve one anywhere in the Pacific Southwest. I can assure you categorically that the Administration of President Johnson has no intention to divert Idaho water to other regions or river basins. You can assure the people of your State that their water resources will receive full protection and move toward full development for Idaho uses while this Administration is in office."

That ends the letter. Since that was 1963, I would like to ask you, Mr. Secretary, if your letter still represents the position of the Johnson administration on the question of possible diversion of water from Idaho or any other State in the Northwest?

Secretary UDALL. I think, Senator, I can say again categorically that that was our position, that still is our position, and I am pleased to be able to reassure you on that point at this time.

Senator KUCHEL. May we understand that answer to be responsive to your question. So there is no question at all about it, Senator. May the reporter read your question so that the Secretary understands exactly what he said "yes" to?

Senator CHURCH. Yes.

(The reporter at this point read back the question and answer above referred to.)

Senator CHURCH. Do you want to modify your answer in any way?

Secretary UDALL. The Senator's question in the latter that I responded to was related to the State of Idaho. I was not aware that he broadened it.

I have been one who in the period when there has been discussion about the Columbia River have said that I did not ever expect to see a headwater diversion at anytime. I thought it was foolish to plan and contemplate taking any water from the Columbia River that was not water taken out below Bonneville Dam after the Northwest was through with it; in other words, waste water that would go into the ocean.

Now, my position on this has been clear throughout——

Senator CHURCH. Yes.

Secretary UDALL (continuing). And I want to make it clear again today.

Senator CHURCH. So there is no misunderstanding, Mr. Secretary, I meant, of course, to confine my question to the content of the original letter, and I will now do it. Is it still the decision of the administration that you are categorically

opposed to the diversion of water out of the State of Idaho, into the Southwest?

Secretary UDALL. I can say, categorically, that is our position. It has not changed. (Pp. 184-186.)

Senator HANSEN. [Secretary Udall] what would be your opinion if this [National Water Commission] were indeed to become a reality, and after having studied the entire western part of the United States, after surveying the water needs of the Southwest it were to make a recommendation that water be taken from the State of Idaho?

Secretary UDALL. Well, Senator, that is the type of "iffy" discussion that I don't think I should get into at this point because I can't really assume. I think we should all remain openminded as to what types of recommendations or policy decisions such a commission might make.

Senator HANSEN. I share that last expression from you, Mr. Secretary, and for that precise reason I was quite surprised to hear you say, I think a little bit ago in response to a question by the Senator from Idaho, Mr. Church, that this administration would oppose categorically—if I did not misunderstand you—the exportation of any water from Idaho. Did you not say that?

Secretary UDALL. Yes, and if I may explain, Senator because you are new on the committee, we have discussed this in the past. I think my position has been quite consistent. I have said many times, and I said it again here a few moments ago, that I think it would be politically impossible, and from a planning standpoint rather foolish, to contemplate—I would apply this even broader than the Columbia River—that any region would want water or expect to get an importation of water from another region, except water that has already been fully used by a State or States, or a basin and that is going to otherwise be wasted.

This is the reason that when we had our dialog about the Columbia River, I have been one who has talked about the mouth of the Columbia River. I will be very surprised in my lifetime, if there is a project of importation from one region to another, if this principle is not adhered to, because I don't see how politically you could get it done otherwise.

Senator HANSEN. It may be that you can't contemplate it at all, and yet I must point out to you that the State of Wyoming is very vitally concerned, and we are very much interested.

We have opposed some of the bills before the Congress in the past and may at this time have to, not because we don't want to do all we can to see the development of all of the Southwest, but that, in so doing, we don't write our own death warrant in the State of Wyoming.

Now, if you are precluded or if you attempt to preclude the consideration of areas from which water may be taken—if in the judgment of the commission, there may be an excess—if

you say or if you imply that only from certain places can water be taken, then I think what you are telling the State of Wyoming, in effect, is that we may not have as many options open to us to have water put into the Colorado River Basin system at some place and at some time so as to make available to us in Wyoming that portion which has been guaranteed us by the terms of the Upper Colorado River Compact, ratified in 1948.

Now, we have never said that we would point to Idaho or any other State, and by the same token, it seems somewhat improper to me that you would assure the State of Idaho, our good friends and good neighbors on the west, that no matter what else happened, they could be assured of your undying opposition and the opposition of this administration to a plan which would contemplate the exportation of water from that State.

I am perfectly willing to have water taken from the mouth of the Columbia, after it is just ready to drop into the salty brine of the Pacific, and we would welcome any such step, but frankly, I am surprised that you would give the endorsement that I thought you gave this morning to a national water commission, and then turn around and say, "But don't look here." Isn't that what you are doing now?

Secretary UDALL. The commitment that I made in writing to Senator Church three and a half years ago was made prior to the time that the National Water Commission study was conceived. But I don't see any reason to change our basic position in that regard. (Pp. 192-23.)

If investigations do indicate that there are areas of surplus water, and that some of this surplus can be transported to areas of critical shortage at reasonable cost, the continuation of the dangerous deficiencies in the Colorado's water supply is indefensible. And it is indefensible to refuse to find out the facts. Who is afraid of facts?

Assurance of water supply augmentation study mandatory

Other States of the Colorado River Basin are willing to gamble on present authorization of Arizona's project if, and only if, assurance is given in the same legislation of immediate and realistic investigations that will lead to a program to augment the water supply of the river in time to avert the shortages that otherwise the construction of Arizona's project will trigger.

Water quality improved by additional water

Secretary Udall, completely reversing himself, now states that there is no urgency to commence a program leading to augmentation of Colorado River water. He not only forgets the shortage problem to which he himself alerted the States 3 years ago, but he forgets an ominous problem of water quality, a field of responsibility recently lodged in his Department by the President. It seems clear that in order to comply with the Water Quality Act of 1965 Western States are going to have to commence the treatment of return flows from irrigation water, limit irrigation, or import water from other areas to dilute the salinity content of waters. Our recent crisis with Mexico over the

bad quality of Colorado River water should be fresh in the Secretary's mind.

In January 1967, representatives of the seven Colorado River Basin States, including Arizona, agreed on "Guidelines for Formulating Water Quality Standards for the Interstate Waters of the Colorado River System." The following statement was included in the guidelines:

In view of the anticipated increase in consumptive use of water, *augmentation of the Colorado River is essential just to maintain the existing water quality.* Enhancement, as contemplated by the Guidelines of the Federal Water Pollution Control Administration, of the present water quality of the Lower Colorado River is most practicable by a major water augmentation program. One objective of a major water augmentation program would be to approach the limits for total dissolved solids, chlorides, and sulfates recommended by the U.S. Public Health Service Drinking Water Standards of 1962.

Development and prosperity depend upon adding water to river by 1990

The legislation should contain a reasonable promise that the additional burden of the Central Arizona Project will be relieved not later than 1990 by adding new water to the Colorado River.

The target date of 1990 actually represents an unusually grave risk in terms of traditional water planning. That is only 22½ years away. Indeed, if the runoff conditions experienced during the past quarter century continue, drastic water shortages will occur by 1980. We insist upon immediate initiation of the Pacific Southwest regional investigation, once so bravely proposed by Secretary Udall but now stripped from the bill he recommends, so that effective solutions will be accomplished in time. This means start now, not 5 years from now, to complete the investigation not later than the early 1970's—not after the crisis is on us. Even if investigations are completed in 1970, another 20 years may well be required for authorization, design, and construction.

Piecemeal approach unreasonable in crisis

The Secretary of the Interior, in testimony on legislation to authorize the establishment of a National Water Commission (S. 20) admitted, "*Well, I think in terms of the pending serious water shortages that have clearly emerged, that certainly this [Colorado River Basin] is the first priority area in terms of crisis.*"²² S. 1004 fails to recognize this. It not only shifts an extremely heavy burden to a future Congress, but encourages strife and controversy in the meantime.

A reasonable comprise program for investigating the need for importations was proposed in the committee's executive session. This amendment would have allowed the comprehensive development of all 11 Western States by the development of a regional water plan which would serve as the framework under which projects, existing and fu-

²² *Hearings on S. 3107 before the Senate Committee on Interior and Insular Affairs, 89th Cong., 2nd Sess., 19 (1966).*

ture, within the region could be constructed and coordinated so as to reasonably assure that an adequate water supply would be made available in the region. The proposal would utilize the existing Water Resources Council as the coordinating agency, with consultation provided from the affected States and the Western States Water Council. The reconnaissance investigations called for would be conducted by the Pacific Northwest River Basins Commission in its jurisdictional area and those in the Pacific Southwest by the Pacific Southwest Interagency Committee, both existing agencies. The feasibility investigations to follow the reconnaissance reports concerning augmenting the water supply of the Colorado River could be vetoed by a resolution of either the Senate or the House Interior Committee. If interbasin transfers were recommended, adequate and equitable protection of the interests of the States and the areas of origin would be mandatory.

This proposal, providing for a step by step investigation of augmentation, giving due participation to the States involved, was rejected by the committee in favor of doing nothing at all to solve this extreme problem.

D. HUALAPAI DAM AND POWER PLANT SHOULD BE AUTHORIZED

The Secretary of the Interior recommended construction of the Hualapai project at the Bridge Canyon site in his draft bill to implement the Pacific Southwest water plan which was attached to the House committee report on H.R. 4671, 89th Congress.²³ The seven States agreed, but the Secretary has reversed himself, yielding to various pressures.

Pump-storage peaking features extremely valuable

The regional bill that we favor (amendment 214, now pending) would provide for authorization of Hualapai project and a detailed study of a plan to install 5 million kilowatts of pump-storage peaking capacity. This plan was proposed by the Los Angeles Department of Water and Power, one of the largest preference power consumers in the Nation.

A 5-million-kilowatt peaking, pump-storage installation at Hualapai Dam and Reservoir would be over 10 times as large as the thermal generating plant proposed by the Secretary of the Interior and included in S. 1004. But it would be paid for by the utilities using it. It would be far superior to the Secretary's new scheme, for many reasons:

1. It would use a renewable resource, water, as an energy generating medium, instead of depleting a reserve coal supply for future generations.

2. It would produce excess revenues for a regional development fund sooner and in considerably larger amounts—conservatively estimated at \$1.1 to \$2.1 billion in 75 years—than does the thermal plant proposed by the Secretary.

3. It would provide more than 10 times the generating capacity—5 million kilowatts, versus 470,000.

4. It would provide peaking power (the most valuable type of power) that has a ready market in the Southwest, providing

²³ H.R. Rep. No. 1849, 89th Cong., 2nd Sess., 34 (1966).

a backup capacity for millions of kilowatts for firm generating capacity.

5. It would maximize the benefits to be derived from a natural resource belonging to all the citizens.

6. It would provide insurance against power blackouts for the area of the United States west of the Rockies.

7. Power would be provided to the Central Arizona Project at lower rates than would be provided by the thermal plant.

8. Construction of Hualapai project would be consistent with long-established Federal policy concerning development of water resources. It would make unnecessary the Federal Government's going into the thermal electric generating business by the back door.

9. The beneficiaries of the Federal investment, the consumers of power, would be spread over the entire Southwestern part of the United States, not restricted to Arizona, as S. 1004 would require.

We have proposed that not one cent be spent by the Government toward construction of the project until the Secretary of the Interior has in hand contracts from the consumers that guarantee repayment of all capital and operating costs. This business-like approach, modeled on the Boulder Canyon Project Act, would meet any objections by those misinformed individuals who say that the Hualapai development is not financially feasible.

The Secretary of the Interior has erroneously argued that the Hualapai project should be delayed 10 years or more. To the contrary, it is essential that an early decision be made on this project, since design of transmission lines in the area within a short distance of Bridge Canyon is now in an advanced stage, and coordination of their planned construction with transmission lines needed for Hualapai Dam power is essential in order to obtain the lowest possible cost.

The Secretary refuses to face Hualapai powerplant facts

The Bureau of Reclamation prepared an analysis of the Los Angeles proposal for an enlarged Hualapai project. This analysis was submitted with an almost unrelated letter to the Honorable Wayne N. Aspinall, chairman of the House Committee on Interior and Insular Affairs, by the Secretary of the Interior.²⁴ Although the Bureau of Reclamation found the proposal by the Los Angeles Department of Water and Power to have engineering and economic feasibility, the forwarding letter by the Secretary of the Interior made no reference to the facts disclosed by the Bureau of Reclamation. Instead the Secretary questioned the project on a number of completely unrelated issues.

The Secretary of the Interior made some rather questionable statements against the dam in his testimony before the committee. He called the dam "a gun pointed at the Columbia River."²⁵ We find such a statement by a Cabinet officer irresponsible. It can only result in putting one region of this country against another.

²⁴ *Hearings on S. 1004 and Related Bills, Before the Subcommittee on Water and Power Resources of the Senate Committee on Interior and Insular Affairs, 90th Cong., 1st Sess., 176 (1967).*

²⁵ *Id.* at 162.

If any of the legislative proposals under consideration involve a "gun" pointed at the Columbia River, the "gun" is the Central Arizona Project of S. 1004, which is located in the Secretary's home State. It is this project, and this project alone, that precipitates a water shortage and triggers the absolute necessity for early addition of water to the Colorado. Absent the Central Arizona Project promotion, this problem could be confronted and solved under less pressure of time.

The regional bills which we sponsor carefully spell out protection for areas of origin and require that only water that is surplus to the needs of an area would be used in any water transfer project. Priorities of the States and areas of origin would be guaranteed perpetually, for all purposes. This is scarcely a "gun" pointed at any areas of origin; it is a shield for their protection. It is many, many times greater protection for any area of origin, whether in the Columbia River Basin or California, than S. 1004 would give to the Upper Colorado River Basin as an "area of origin," or to the existing water users in the Lower Basin.

Hualapai Dam and Reservoir would enhance recreation values

Members of this committee have also been subjected to statements from those who claim that Hualapai Dam would "flood out," "ruin," or "destroy" the Grand Canyon. A more reasonable attitude was taken by the Nation's largest conservation organization, the National Wildlife Federation which numbers 2 million members.

The dam would form a beautiful new lake, which would allow millions of people to visit and view an area that is now open to only a handful of people who are able to use expensive equipment to carry them through the rapids down to this stretch of the river. Many new areas would be opened for use by the public. This is the function of our national parks: to provide access for people to visit beautiful scenic areas, not to keep these areas locked up to be visited by only a few. For those few who do wish to run the river, 160 miles of undisturbed river would still remain after construction of the dam. There is no scenic view point on either the north rim or the south rim of the Grand Canyon available to the general public from which to view any part of the dam or the reservoir created by the dam. The Hualapai project could not even be seen from any point on the canyon's rim now accessible to visitors.

IV. THE UDALL-HAYDEN BILL: AN APOTHEOSIS OF BLIND SECTIONALISM

A. THE BILL'S POWER FEATURES WERE FASHIONED WITH CALLOUS DISREGARD FOR THE PUBLIC INTEREST

For 20 years, from the introduction of the first Central Arizona Project legislation ²⁶ by Senators McFarland and Hayden on April 28, 1947, until February 1, 1967, the Department of the Interior supported a plan by which electric power could be generated at new hydroelectric facilities on the Colorado River both for pumping water for the Central Arizona Project and for irrigation assistance, through sale of electric energy in accordance with reclamation law.

Suddenly, on February 1, 1967, the Secretary of the Interior, to the surprise and dismay of the many public officials who had worked at

²⁶ S. 433, superseded by S. 1175, 80th Cong., 1st Sess. (1947).

his side over the past several years, unleashed a radically different plan, now further expanded in S. 1004 as reported. The Hualapai Dam and powerplant would be deleted. Instead, the bill proposes to pay \$103 million of capital to three utilities toward the cost of construction of a steam powerplant which those utilities would own, and from which the Government would purchase energy. The Government would pay for that energy in addition to contributing this \$103 million of capital. Some of this energy would be used to pump water into the Central Arizona Aqueduct. Some of it would be resold by the Government to help subsidize the Central Arizona Project—the first sale by the Secretary of thermal-generated energy, inaugurating a wholly new policy. It would be a large quantity, its magnitude closely related to the newly inflated size of the Central Arizona Aqueduct. The facts are as follows:

The plan is a massive give-away to selected utilities

Under S. 1004, the Federal Government will prepay to three utilities \$103 million (rather than \$92 million as contemplated in the Secretary's scheme). Under S. 1004 the Federal Government each year will pay to those utilities operation, maintenance, and replacement costs of \$7.2 million, rather than \$6.5 million as proposed by the Secretary. The Government would receive the use of 470 megawatts of capacity in the companies' plant.

If the utilities should themselves finance the construction of a steam generating plant, they would pay commercial rates of interest on the borrowed funds. To the extent that the Federal Government finances construction of their plant, the three owners receive the advantages of lower unit costs of a larger powerplant. In effect, S. 1004 makes available to the utilities over one-tenth of a billion dollars of Federal money interest free, save for minimal interest during construction, to construct a company-owned plant which will sell energy to the Federal Government.

Someone must bear the cost of borrowing the \$103 million prepaid to the utilities; no feat of double-entry ledgerdom will make interest cost go away. The only question is whether it will be the Federal taxpayer or the Federal power consumer. The burden of paying interest on the portion of the \$103 million which is allocated to irrigation pumping will be shifted to the Lower Basin development fund (not the water users of Arizona), thus to be borne, in large part, by those cities and towns in California and Nevada purchasing power generated at Hoover Dam. (California and Nevada power users pay 82 percent of the Hoover Dam power bill, Arizona 18 percent.) It will not be paid by the utilities which own the powerplant or by the water users in Arizona.

Abandonment of multipurpose water and power resource development

In S. 1004, the Department has chosen to establish a novel future policy for the Bureau of Reclamation, a policy which will deprive its projects of the wealth of benefits of multiple-purpose planning assured by 60 years of existing laws. In the words of the American Public Power Association:

A prepayment plan constituting a purchase of power represents a major step away from Federal multiple-purpose water resource development policies and programs approved

by Congress in the past and eliminates the concept of hydro-electric power as a "paying partner" for reclamation.²⁷

The Secretary will engage in large-scale commercial sales of steam-generated power.

The Federal steamplant will generate large quantities of energy for commercial sale,²⁸ to subsidize the Arizona water users, in addition to subsidizing their aqueduct. This is, in part, due to the fact that the size of the aqueduct has been inflated by S. 1004 to a capacity of 3,000 cubic feet per second, 40 percent larger than the one the Secretary first proposed (1,800 cubic feet per second), and 25 percent larger than the one to which the other States reluctantly agreed in the 89th Congress (2,500 cubic feet per second). The 470,000 kilowatts of steam-generated power which the Secretary will own is calculated to furnish the power needed for pumping enough water to fill a 3,000-cubic-foot-per-second aqueduct; this is about 2 million acre-feet annually. But there will not be that much water available. The Secretary concedes that he expects to sell surplus power from the very beginning, and these sales will rise to 1,510 megawatt hours annually, more than the combined output of Parker and Davis powerplants.

There will not be 2 million acre-feet to pump through a 3,000-cubic-foot-per-second aqueduct unless the upper basin is denied the right to accumulate storage in Lake Powell as other features of this bill contemplate. The same water cannot be stored in Lake Powell and drained out of the river through an oversized Central Arizona aqueduct. As the available water decreases, the sales of commercial power will grow.

²⁷ Letter from Alex Radin, General Manager, American Public Power Association, to Hon. Henry M. Jackson, Chairman, Senate Committee on Interior and Insular Affairs, dated June 5, 1967.

²⁸ By letter dated June 26, 1967, the Department of the Interior furnished Senator Kuchel the following details on proposed Federal commercial power sales:

FEDERAL COMMERCIAL SALES OF STEAM GENERATED POWER UNDER S. 1004

Year	Power sold (1 million kw.-hr.)	Revenue at 5 mills per kilowatt-hour (thousands)	Year	Power sold (1 million kw.-hr.)	Revenue at 5 mills per kilowatt-hour (thousands)
1973.....	175	\$875	2001.....	1,139	\$5,695
1974.....	175	875	2002.....	1,156	5,780
1975.....	224	1,120	2003.....	1,171	5,855
1976.....	228	1,140	2004.....	1,185	5,925
1977.....	274	1,370	2005.....	1,201	6,005
1979.....	320	1,600	2006.....	1,217	6,085
1980.....	365	1,825	2007.....	1,232	6,160
1981.....	410	2,050	2008.....	1,247	6,235
1982.....	458	2,290	2009.....	1,264	6,320
1983.....	504	2,520	2010.....	1,279	6,395
1984.....	549	2,745	2011.....	1,294	6,470
1985.....	597	1,985	2012.....	1,310	6,550
1986.....	641	3,205	2013.....	1,325	6,625
1987.....	687	3,435	2014.....	1,340	6,700
1988.....	734	3,670	2015.....	1,356	6,780
1989.....	778	3,890	2016.....	1,372	6,860
1990.....	824	4,120	2017.....	1,387	6,935
1991.....	855	4,275	2018.....	1,402	7,010
1992.....	886	4,430	2019.....	1,418	7,090
1993.....	915	4,575	2020.....	1,433	7,165
1994.....	946	4,730	2021.....	1,448	7,240
1995.....	976	4,880	2022.....	1,464	7,320
1996.....	1,006	5,030	2023.....	1,480	7,400
1997.....	1,037	5,185	2024.....	1,495	7,475
1998.....	1,066	5,330	2025.....	1,510	7,550
1999.....	1,097	5,485			
2000.....	1,124	5,620	Total.....	50,976	254,880

The prepurchase arrangement amounts to Federal ownership of steam-generating facilities

Without judging the advisability of Federal construction and operation of steam generating facilities, we observe that what might be politically impossible if done directly, the Department of the Interior is accomplishing here indirectly, stifling the opposition of private utilities by prepayment of \$103 million to the non-Federal participants. The Secretary obviously recognizes that a large measure of advocacy can be encouraged for \$103 million.

Although bare "title" to the Federal portion of the steamplant, having a generating capacity of 470 megawatts, will remain with the three participating non-Federal agencies, the Secretary will assemble a cluster of rights and privileges which, when taken together, will bear no definition short of "Federal ownership." The Federal Government will pay the total construction cost of 470 megawatts of capacity in the powerplant, associated switchyard and transmission facilities; it will pay the total cost of operation, maintenance, and replacement allocable to that 470 megawatts of capacity in the steampower plant; it will hold "adequate security for the Government's investment," presumably meaning that upon default by any of the three participating agencies in its obligations, the Federal Government would acquire title to that portion of the plant; and, finally, it will become a seller of substantial quantities of steam-generated power.

The Department refuses to take a position on the preference clause

In its eagerness to hold together the uneasy alliance of power agencies represented in this steamplant scheme, the Department of the Interior has chosen to turn its back on one of the basic tenets of the Federal reclamation program, the preference clause in the sale of power. When the Reclamation Law of 1902²⁹ was amended by the act of April 16, 1906,³⁰ the Bureau of Reclamation was directed to give preference in the disposition of surplus power to "*municipal purposes.*" The preference clause was repeated in language taken from the 1906 amendments in 1922 legislation authorizing the Secretary of the Interior to enter into long-term contracts for the sale of surplus power developed in connection with the Salt River project (one of the beneficiaries of the new steamplant scheme), "*giving preference to municipal purposes.*"³¹ Congress has reiterated this policy more than a dozen times.³²

²⁹ 32 Stat. 388 et seq. (1902).

³⁰ 34 Stat. 117, 43 U.S.C. § 522 (1906).

³¹ 42 Stat. 847, 43 U.S.C. § 598 (1922).

³² Federal Power Act, sec. 7 of the Act of June 10, 1920, 41 Stat. 1067, 16 U.S.C. § 800; Boulder Canyon Project Act, sec. 5 of the Act of December 21, 1928, 45 Stat. 1060, 43 U.S.C. § 617d(c); Tennessee Valley Authority Act, Act of May 18, 1933, 48 Stat. 64, 16 U.S.C. §§ 831 i, j; Fort Peck Project Act, Act of May 18, 1933, 52 Stat. 405, 16 U.S.C. § 833 c; Rural Electrification Act, Act of May 20, 1936, 49 Stat. 1365, 7 U.S.C. § 904; Bonneville Project Act, Act of August 20, 1937, 50 Stat. 733, 16 U.S.C. § 832c; Reclamation Project Act of 1939, Act of August 4, 1939, 53 Stat. 1193, 43 U.S.C. § 485 h; Water Conservation and Utilization Act, Act of August 11, 1939, as amended by the Act of October 14, 1940, 54 Stat. 1124, 16 U.S.C. § 590z-7; Flood Control Act of 1944, Act of December 22, 1944, 58 Stat. 890, 16 U.S.C. § 825s; Act of July 31, 1950, § 2, 64 Stat. 382, 48 U.S.C. § 312a (1964); Atomic Energy Act of 1954, 68 Stat. 919, 43 U.S.C. §§ 2011-281 (1964); Small Reclamation Project Act of 1956, 70 Stat. 1044, 43 U.S.C. §§ 422a-1 (1964); Niagara Power Project Act, § 1(b) (1), 71 Stat. 401 (1957), 16 U.S.C. § 836(b) (1) (1964); Flood Control Act of 1958, 72 Stat. 319, 33 U.S.C. § 701b-08a (1964). See the discussion of this congressional policy by Attorney General Brownell in 41 Ops. Atty. Gen. 236, 249 (1955).

In 1939 Congress revamped the reclamation law and restated the provisions dealing with the sale of surplus power. Section 9(c) of the act of August 4, 1939, it stated in part :

In said sales or leases preference shall be given to municipalities and other corporations or agencies; and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936.³³

This was the policy of Congress until today. So deeply ingrained is the preference right in the fabric of the national power marketing program that President Kennedy remarked in his February 23, 1961, Message to Congress on natural resources:

In marketing Federal power this administration will be guided by the following basic principles, which recognize the prior rights of the general public, consumer, and taxpayer, who have financed the development of these great national assets originally vested in them:

- (1) Preference in power sales shall be given public agencies and cooperatives.
- (2) Domestic and rural consumers shall have priority over other consumers in the disposal of power.
- (3) Power shall be sold at the lowest possible rates consistent with sound business principles.
- (4) Power disposal shall be such as to encourage widespread use and to prevent monopolization.

The administration's present posture stands out in harsh contrast against the background of President Kennedy's remarks. During the June 29, 1967, executive session certain questions were propounded to Edward Weinberg, Deputy Solicitor of the Department of the Interior. The colloquy deserves careful reading:

Senator KUCHEL. Mr. Weinberg, does this bill provide that the reclamation law shall apply to this project?

Mr. WEINBERG. Yes, sir, except as otherwise provided. That is section (13) * * *.

Senator KUCHEL. We read, "except as otherwise provided in this act in constructing, operating, and maintaining the Central Arizona Project, the Secretary shall be governed by the Federal Reclamation Laws Act of June 17, 1902; 32 Stat. 388 and acts amendatory thereof and supplementary to which laws this act shall be deemed supplement."

Mr. WEINBERG. Then you have to go back to section 2(b) (1) of 1004, which is the provision that deals with the prepaid.

Senator ALLOTT. Section 2(b) (1)?

Mr. WEINBERG. Section 2(b) (1), yes; on page 3, line 15 through 18, there is a simple statement there, simple in words complex in meaning I think, "power and energy acquired thereunder," that is the prepaid power—"may be disposed of intermittently by the Secretary when not required in connection with the Central Arizona Project."

³³ 53 Stat. 1193, 43 U.S.C. § 485 h(c) (1939).

The problem is there that there is no particular reference. It says it may be disposed of. So, we then have a question, and this is where the difficult legal question comes in.

Senator KUCHEL. Mr. Weinberg, is that language your language?

Mr. WEINBERG. Yes.

Senator KUCHEL. What did you have in mind when you used it?

Mr. WEINBERG. We did not really see this as a problem, frankly.

Senator KUCHEL. Would you prefer that the preference clause not apply?

Mr. WEINBERG. I don't know quite how to answer that. We plan to dispose of any power that we don't use basically to the Salt River project which is a preference customer and which has asked for the opportunity to buy the power.

So we intend to market then consistent with the preference law, whether it technically applies or not.

Senator KUCHEL. Well, does the Department have any belief or feeling or view on whether it should apply?

Mr. WEINBERG. As I say, our plans are to market it consistent with the preference clause, to a preference customer.

Senator KUCHEL. I regret that you do not answer my question. I just would like to have a frank statement of a representative of the Department. Do you believe the preference clause ought to apply to the sale of electricity under this 2(b)(1) that you read or whether it should not?

That should be easy enough to answer. This committee can do what it wants. This is your language, you wrote this * * *.

Senator KUCHEL. I shall not belabor this, but, Mr. Weinberg, you did say that under section 13, reclamation law applies, except as otherwise provided in the act.

Is it fair to say that in the opinion of the Department the language in section 2(b)(1) which you read, "power and energy required may be disposed of intermittently by the Secretary when, not required in connection with the Central Arizona Project," constitutes one of the exceptions to the section 13?

Mr. WEINBERG. My difficulty is that I can't tell you whether it does or does not. If the problem actually arose we would hope to find some guidance as to how to interpret it from the legislative history.

Senator KUCHEL. If you don't know, are you able to tell this committee what your opinion is as to whether it should apply or not?

Mr. WEINBERG. I think Senator Jackson stated the situation exactly in his remarks. We intend to market it consistent with the preference clause. This is the intention we have.

Senator KUCHEL. I want to be sure I understand you. Is it the intention of the Department that the preference clause does apply and that the language of 2(b)(1) does not constitute an exception?

Mr. WEINBERG. I don't know what the section will mean.

Comment on this confusion need scarcely be added. If the author does not understand his own language, can the Congress be expected to? But we, not the author, must take responsibility for legislating his ambivalence into law.

In its zeal to avoid facing the infirmities in its own language proposing this novel power-generating scheme, the Department has apparently attempted to evade the basic issue of public preference in the sale of surplus steam-generated power by simply taking no position on the issue it has itself created, and by agreeing to keep the surplus power off the market by redelivering it to one of the agencies from which it is purchased. This gambit appears to flaunt President Kennedy's mandate that "power disposal shall be such as to encourage widespread use and to prevent monopolization."

Open market power purchase amendment

In committee we offered an amendment to strike all of section 2(b) of S.1004 and to insert in its place a new section 2(b), to read:

The Secretary may enter into an agreement with non-Federal interests whereby the United States shall purchase from time to time such electrical power as he determines is required in connection with the Central Arizona Project.

This amendment would have eliminated the massive \$100 million Federal prepayment; it would have freed the Secretary from 50 years of rigid bondage to the coal-fired steamplant; it would have allowed Central Arizona Project to proceed without any controversial power generation plan—whether hydroelectric plant or steamplant; and it would have allowed an honest appraisal of the project's financial feasibility. It would have authorized the Secretary to pay for power and energy for Central Arizona Project pumping, as required, instead of prepaying for generating capacity far in excess of the project's pumping requirements. The amendment would have made the bill less objectionable to some segments of the electric utility industry by preventing the Federal Government from entering the field of thermal generation through the back door. It would have eliminated any dispute over whether the preference clause should apply since the Federal Government would purchase only that power required for pumping, and would not have any surplus available for commercial resale. It was rejected.

B. THE BILL'S OVERSIZED AQUEDUCT CANNOT BE JUSTIFIED

The bill as reported provides for a 3,000 cubic feet per second canal system. When originally proposed in 1963, an aqueduct of 1,800 cubic feet per second was recommended by the Department of the Interior. That size was designated because the augmentation of the river foreseen in the 1963 bill would have allowed 7.5 million acre-feet to be permanently available to the lower basin and would have permitted the 1,800 cubic feet per second conduit to run full at all times, bringing 1.2 million acre-feet to the project area. When it became evident that augmentation of the Colorado River would be unlikely for some time, Arizona asked for a canal of larger dimensions, with a capacity of 2,500 cubic feet per second, so that the Central Arizona Project could

divert over 1.2 million acre-feet—up to 1.6 million acre-feet—when there was excess water available, thus offsetting the periods when insufficient water in the river might prevent a diversion of the full 1.2 million acre-feet. It was hoped that allowing such extra capacity would permit Arizona to average the target 1.2 million acre-feet withdrawal. The Bureau of the Budget has never approved the construction of a Central Arizona Project with a main aqueduct having a capacity in excess of 2,500 cubic feet per second.

The 2,500 cubic feet per second canal now proposed would be capable of diverting 2 million acre-feet annually, which, when added to the 1.2 million acre-feet of existing annual uses in Arizona, gives a total of 3.2 million. This exceeds Arizona's apportionment of 2.8 million acre-feet, which, in turn, is conditional upon the availability of 7.5 million acre-feet, a hopeless expectation unless water is added to the Colorado.

The recommended 2,500 cubic feet per second canal would cost about \$375 million and would require 400,000 kilowatts of power at a capital cost for the Government's share of the powerplant of approximately \$92 million, all to be prepaid; a 3,000 cubic feet per second canal would cost \$513 million and would require 470,000 kilowatts of power at a capital prepayment of \$103 million. Secretary Udall's tables show an incremental cost of over \$177 million when the aqueduct size is raised from 2,500 cubic feet per second to 3,000 cubic feet per second.

The increased expenditure, while supposedly designed to allow Arizona to share in excess water in years of increased moisture, is manifestly unwarranted when it is realized that there has not been a year of major excess since the 1920's, and many of deficiency. There is no crystal ball reading that assures that surpluses are more likely in the next 45 years than they have been in the past 45. The record bears repetition: the water supply for the last 45 years has failed by 1.2 million acre-feet annually to average enough to supply the compact apportionment to the Upper Basin while supplying to the Lower Basin the 7.5 million acre-feet conditionally apportioned by the Supreme Court. It is serious enough to add a new burden of 1.2 million acre-feet as an 1,800 cubic feet per second aqueduct would do, without adding new water to the river to offset that new burden, but it is a psychedelic hallucination to assume that there will be surpluses, without that new water, to justify an aqueduct to transport 2 million acre-feet.

Since the existence of excess waters is a mirage, the claim that the increased capacity cost (over \$175 million) will be covered by increased water sales is incredible. No one will contract to pay for water that is not, and cannot be, delivered. The only excess water to flow through the canal will be that which comes from the upper basin, and that quantity will rapidly diminish as Upper Basin development proceeds. In hard fact, the increased cost of the inflated Central Arizona Aqueduct must be borne by the power users in California and Nevada who contribute most of the Hoover and Parker-Davis revenues.

As the Upper Basin develops, the usefulness of Arizona's 3,000 cubic feet per second canal, or even a 2,500 cubic feet per second canal, will rapidly disappear. Given orderly authorization and con-

struction of the Upper Basin projects, the enlarged Arizona canals may be useless before they are even completed. Assuming that Congress will honor its promises of development in the Upper Basin, it is not in the national interest to add capacity to an expensive Arizona canal that can never be fully used.

C. THE BILL IS A MODEL OF FISCAL IRRESPONSIBILITY

Recognizing the need for augmentation of the scarce flow of the Colorado River, a source of funds to finance such augmentation must be provided. H.R. 4671, as introduced and as reported by the House Interior Committee last year, established a Lower Colorado River Basin Development Fund fed by revenues from the Central Arizona Project, including Hualapai and Marble Canyon powerplants, and surplus revenues from Hoover and Parker-Davis projects. The Hualapai and Marble Canyon Dams had been integral parts of the Lower Colorado River development program since legislation was first introduced in 1947. They were designed to produce peaking power which can be marketed at rates high enough to repay all the original project costs, and, from those powerplants alone, put billions of dollars into a development fund to help pay the cost of augmenting the water supply of the Colorado River Basin. S. 1004 strips both of them out.

Development fund in 90th Congress regional bills

All of the regional bills which we have introduced in the 90th Congress would deposit revenues from Hoover and Parker-Davis projects after completion of repayment requirements, as well as revenues from Hualapai project, in a Lower Colorado River Basin Development Fund. California citizens, using power from existing powerplants on the Colorado River, do not object to contributing their dollars to a development fund if revenues from the proposed Hualapai project would also be deposited in the development fund, and if such a fund would help repay the costs of a future Colorado River water augmentation program that would benefit the entire Colorado River Basin. They do strenuously object to a rate increase for Hoover and Parker-Davis power, plus diversion of the Hoover and Parker-Davis revenues to subsidize the Central Arizona Project. If the facts were known in Nevada, citizens from that State would object also.

In the next few paragraphs we trace a devious trail, along which the burden of paying for the Central Arizona Project was shifted from the taxpayers of Arizona to the taxpayers of the United States and the Government's power customers in California and Nevada.

The Secretary's financing plan: Water charges and ad valorem tax

This year, when Secretary Udall adopted a posture designed solely to give Arizona the Central Arizona Project, and eliminated both Hualapai and Marble Canyon Dams, he proposed to finance the construction of Central Arizona Project works wholly by municipal, industrial, and agricultural water charges and ad valorem taxes within the project area. Arizona could and would pay her own way. The Secretary said a \$50 per acre-foot municipal and industrial water charge would raise \$489.8 million net operating revenue, and a 0.6 mill per dollar of assessed valuation ad valorem tax would raise over \$153 million to repay project costs.

In the alternative, Secretary Udall proposed that municipal and industrial water be sold for \$56 per acre-foot and that no ad valorem tax be charged. Under this proposal, the municipal and industrial water charges alone would produce \$570.5 million net operating revenue over the payout period of the project. Although he abandoned the basin for the sole benefit of Arizona, Secretary Udall at least proposed that water users and landowners in Arizona pay for their project. S. 1004, as we shall see, escapes from that proposal; it shifts the burden from Arizona's taxpayers to the power users of California and Nevada and to the Federal taxpayer.

Predicted municipal and industrial water sales unrealistic

First, a word about the estimates by the U.S. Bureau of Reclamation of the amount of municipal and industrial water that will be sold at a "canalside" price of \$50 to \$56 per acre-foot. These are highly optimistic. The municipal and industrial users in the Phoenix area now pay only a few dollars per acre-foot as the cost of pumping from the vast underground water reservoir over which they are located. It is relatively easy to sink a well and obtain a water supply without the necessity to pay for an expensive distribution system. Every dollar of shortage caused by sparse municipal and industrial water sales will be made up by higher irrigation rates, or from Hoover and Parker-Davis revenues.

The committee revamped the financing provisions shifting the onus of repayment of Central Arizona Project onto California and Nevada

Congress should reject S. 1004 if for no other reason than the inequities of its financing. The committee adopted Senator Hayden's amendments which drastically altered the method of financing the Central Arizona Project works. These amendments increased the Granite Reef aqueduct size to 3,000 cubic feet per second, rather than 2,500 cubic feet per second. It then established a new Lower Basin development fund fed by Central Arizona Project revenues, surplus Hoover and Parker-Davis power revenues, and certain hoped-for revenues from the Pacific Northwest intertie, which will not even begin to accrue for nearly a half century. Senator Hayden offered, and then withdrew, an amendment to strike the Secretary's discretionary power to contract with agencies authorized to levy ad valorem taxes.

A ridiculous situation is created by these amendments to S. 1004:

First, California and Nevada power users would be called upon to subsidize the Central Arizona Project which would jeopardize the future water supply of those two States.

Second, the Secretary is guessing that Congress, after 1990, will allow rates for Hoover power to be increased 50 percent to these same California and Nevada power users.

Third, the Secretary is guessing that Congress will allow power rates on the intertie to remain artificially high half a century from now, and will earmark the Nevada portion of those tolls for Arizona's exclusive benefit.

Fourth, usurping Hoover and Parker-Davis revenues to subsidize the Central Arizona Project would preclude their use for basinwide water augmentation in the future.

Fifth, the recently authorized Southern Nevada Water Project, like California's Metropolitan Water District, receives no financial aid from Hoover power revenues, yet Nevada power users and the Metropolitan Water District would be subsidizing the Central Arizona Project by paying higher power rates for Hoover power for that sole purpose.

Is this a description of equity as Congress would do equity?

The bill casts upon California and Nevada power users the burden of subsidizing the Central Arizona Project

In obedience to requirements of section 4(a) of the Boulder Canyon Project Act,³⁴ before Hoover Dam could be built California power contractors were obligated to contract to pay for the entire firm power output of Hoover powerplant, even if they could not use it, at a price that would repay all operating costs and capital costs with interest. Likewise, users of the All-American Canal in California were required by section 4(b) of the Project Act to contract in advance of construction to repay the entire cost thereof without any help from Hoover Dam revenues. The act, in so many words, prohibited assistance from Hoover revenues to help pay the costs of the All-American Canal. So, also, with the Metropolitan Water District aqueduct. It pays 36 percent of the whole Hoover Dam power bill, but receives not a dime of subsidy from Hoover power revenues. The power contracts between the California agencies and the Secretary of the Interior provided options for the States of Arizona and Nevada to enter into contracts with the Secretary at such time as they needed the power. These options were subsequently exercised by these States. The costs of Hoover Dam and powerplant will be fully paid by 1991, 82 percent by California and Nevada power users, only 18 percent by Arizona's. Similarly, the southern Nevada project water users are required by the Southern Nevada Project Act to repay the whole cost of that project with interest and without subsidies from Hoover Dam revenues.

The fiscal integrity of the project is based upon a wild guess

Although section 5 of the Boulder Canyon Project Act clearly contemplates a congressional determination at the time of payout, that is, A.D. 1990 for Hoover Dam and powerplant, as to (1) what rates shall be charged for Hoover power, and (2) the disposition of the revenues, the Secretary of the Interior is basing the financial feasibility of the Central Arizona Project on a predetermination that Congress in 1990, will, (1) authorize raising power rates to users outside the State of Arizona by 50 percent, and (2) dispose of the revenues exclusively to finance work in the State of Arizona, not in the whole basin as section 5 of the Project Act directed. The Secretary expects \$478,983,000 of revenues from Hoover and Parker-Davis projects to go into the basin fund, which will be mortgaged until well into the next century for the repayment of the capital costs of the Central Arizona Project. The Metropolitan Water District of Southern California would, over the period after 1990, pay over \$100 million of power charges at the Secretary's assumed increased rates to help pay the capital cost of works and facilities in Arizona which would deplete the supply of water available to that California aqueduct, built without Federal subsidy.

³⁴ 45 Stat. 1060, 43 U.S.C. § 617d(c) (1928).

The development fund will also depend upon certain revenues from the Pacific Northwest intertie. But post amortization intertie rates cannot be known for half a century. The Secretary asserts that these revenues will begin to feed into the fund in the year 2022 (over a half century from now) at an annual rate of \$5.2 million, and will amount to \$20.8 million by the end of the Central Arizona Project payout period. To compute these benefits to the basin fund, the Secretary assumes the post amortization rates paid for power carried on the intertie will remain the same as rates during the amortization period, and that all of them will be earmarked for Arizona, although the line traverses the whole length of Nevada. In his report to the Senate Appropriations Committee on the Pacific Northwest-Southwest Intertie in 1964, Secretary Udall said:

“Post amortization benefits result from continued use of the line after payout, for greatly reduced costs involving principally operation and maintenance and replacements. *If it were a policy to continue to make the same charges on the line after the first fifty years*, the post amortization benefits would be available for assistance to irrigation or other water projects.” [Emphasis added.] ³⁵

Forgetting those words, the Secretary now predicts financial well-being for the Central Arizona Project, based upon sheer guesswork about the rate policy Congress will choose to adopt half a century hence.

Arizona would avoid ad valorem taxes through subsidy by California-Nevada

This proposed unconscionable use of Hoover, and Parker-Davis revenues is a maneuver to save a three-county area in Arizona the minor assessment of no more than six-tenths of a mill per \$1 of assessment. The Bureau of Reclamation has shown that this tax would raise \$146 million by the end of the payout period. That amount is minor in comparison with the benefits to Arizona from the Central Arizona Project, which the Bureau estimates will total billions of dollars over the payout period.

Nevada penalized also

As we have said, the Southern Nevada Project Act requires Nevada water users to repay the full cost of that project, plus interest, without assistance from Hoover Dam power revenues. Nevada water users, if S. 1004 becomes law, would be expected to pay 50 percent higher rates for the Hoover Dam power which is used to pump water from Lake Mead for their unsubsidized Southern Nevada Project, in order to provide a subsidy for Arizona water users served by the Central Arizona Project. The pumping charges for the Southern Nevada Project, even at present Hoover Dam power rates, are estimated at more than \$20 per acre-foot. These costs after 1990 would be surcharged 50 percent, raising Nevada's power bill to \$30 per acre-foot, to subsidize Arizona water uses. Moreover, this increased power rate would be imposed on

³⁵ Department of the Interior, *Report to the Appropriation Committees of the Congress of the United States Recommending a Plan of Construction and Ownership of EHV Electric Interties Between the Pacific Northwest and Pacific Southwest*, 32 (1964).

the industries which have been attracted to Nevada by low-cost Hoover Dam power, and also be superimposed on the price they pay for power for pumping water from Lake Mead through their own separate pipeline.

Amendment to restrict Hoover, Parker-Davis revenues available to Central Arizona Project

An amendment was offered to limit the reliance of Central Arizona Project on revenues from power and energy sold for use outside the State of Arizona as follows. It was proposed that section 5(c)(2) of S. 1004 be amended to read (new matter, deleted matter stricken):

A portion (calculated as hereinafter provided) of all Federal revenues from the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of the said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance and replacement requirements of those projects; provided, that such portion shall be calculated as the ratio between the revenues from said projects received by the United States (i) for power and energy sold for use in the three states of Arizona, California, and Nevada. The Secretary is authorized and directed to continue the in-lieu-of-taxes payments to the States of Arizona and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon Project.

The effect of this amendment is to limit Arizona's participation in Hoover and Parker-Davis revenues to the portion of those revenues which comes from Arizona sources. Since California and Nevada users purchase 82 percent of Hoover power, it would have prevented Arizona from taking a free ride at the expense of her sister States. The amendment was rejected.

Estimates of irrigation assistance from power revenues may be overly optimistic

The Secretary also anticipates that he will receive, over the payout period, revenues of \$254,000,880 from sale of commercial power, generated by the Federal share of the company-owned steamplant which he proposes to help finance. Of these receipts, \$97 million are earmarked for irrigation assistance. In the likely event that private power interests prevent the Secretary from engaging in the sale of steam generated power on such a large scale, even greater reliance would be thrust upon Hoover, Davis, and Parker power users in Nevada and California to pay for this Arizona project.

Puffing the basin fund

On June 26, 1967, the Department of the Interior provided Senator Kuchel with financial tables reflecting development fund income and disbursements which will accrue under S. 1004 as reported. A copy of Secretary Holum's letter and accompanying tables is attached as appendix C to these views.

Secretary Udall predicts gross development fund revenue over the payout period of \$2,261,352,000 and deductions of \$1,882,646,000, leav-

ing a balance of \$378,706,000 in the fund by the year 2025. Careful study of the Secretary's table reveals:

1. The balance in the fund by 2025 is overstated by \$173,203,432.
2. There will be no balance whatsoever in the fund until 2018.
3. Raising the main aqueduct size to 3,000 cubic feet per second adds \$177,147,000 to the project costs. There will be no water to fill the inflated aqueduct unless it is drained away from the upper basin, diminishing the prospect of filling Lake Powell.
4. The tables fail to disclose the possible additional \$100 million drain on the fund for distribution and drainage systems in Arizona.

Gross overstatement

The Secretary's estimate of \$2,261,352,000 of gross revenue to the basin fund cannot increase unless the rates for the sale of water and power, or the quantities which he estimates will be sold, change. But his estimate of deductions, \$1,882,646,000, is misleading; it can and must change, and change upward only. The Department based its estimates of project costs on 1963 prices. There has already been a rise of 9.2 percent in the cost index (he ignores it), which would result in increasing the deductions from the development fund by \$173,203,432, as of A.D. 2025, even if there is never any further increase in construction costs—a most unrealistic assumption. As the cost index rises higher in future years, this incremental cost, hence these total deductions, will also rise. If the balance in the development fund were corrected to reflect increased construction cost, by the end of the payout period it could be not over one-half of the \$378,000,706 claimed by the Secretary. The proposed new \$30 million Dixie project drain on the development fund further reduces the balance in A.D. 2025.

The Secretary admitted that there will be no net balance in the development fund until the year 2010. When corrections for even present (1967) costs and the Dixie project deficit are incorporated into the calculations, the Secretary's table shows that the fund will be empty until at least 2018, or 51 years from now.

Obviously, the financing scheme which has been injected into the bill kills off any possibility that a fund will be created to mitigate the water crisis in the Colorado River Basin. The basin needs more water before 1990, but for half a century (until at least A.D. 2018) there will not be a single cent in the development fund for use to defray any costs other than Central Arizona Project costs.

Distribution and drainage facilities

Section 16 of S. 1004, as approved by the committee, would authorize the appropriation of \$768 million (1963 prices), plus a wholly new item: \$100 million for construction of distribution and drainage facilities for non-Indian lands.

The Department insists that it is not contemplated that this added \$100 million would be paid out of the development fund. However, S. 1004 makes no provisions at all for their repayment from any other source, and clearly allows their repayment from that fund. Thus, section 2(a)(9) authorizes construction of "related water distribution and drainage works" as a part of the Central Arizona Project, and

section 5(f) (1) authorizes disbursement of money from the development fund to return "the costs of the project or separable feature thereof, authorized pursuant to section 2." Were the Secretary to use this authority, a further \$100 million burden would be thrust upon the Hoover, Parker-Davis rate payers. As the prices for irrigation water, \$10 per acre-foot, and for municipal and industrial water, \$50 per acre-foot, are said to be limited to those amounts by the user's capacity to pay, it is obvious that they could not pay an added \$100 million, and that the power users (82 percent in California and Nevada) must do so via the development fund. There goes another \$100 million from the vanishing dream of a fund to finance the addition of new water to the Colorado River.

To add confusion, the \$768 million appears to include \$10.5 million for drainage of non-Indian lands, according to the data presented at the hearings, whereas the proposed authorization of an additional \$100 million for distribution and drainage on non-Indian lands appears to include the same \$10.5 million.

D. THE BILL UNWISELY OMITTS WAIVER OF IMMUNITY OF UNITED STATES FROM LAWSUITS

Omitted from S. 1004 is the waiver of immunity of the United States from suits by the States. Thus, there is no way for the States to test the validity of the conduct of the Secretary under the requirements of the "law of the river" as provided in our regional bills. On a river such as the Colorado, with the Federal Government involved in many complex operations with the States and State organizations, the right to sue in order to correct disputes is an essential right. Such language appears in every recent piece of upper basin legislation, and should not be omitted from Arizona's.

V. CONCLUSION : CONGRESS SHOULD REJECT THE UDALL-HAYDEN BILL

Although many of the defects and abuses in S. 1004, as reported by the committee, could be corrected if Arizona and the administration were of a mind to do so, we emphasize our determined objection to the bill as a whole. It is selfish and myopic legislation, benefiting Arizona at the price of destroying existing uses of water and crippling the development of her neighbors.

Enactment of S. 1004, as reported, will compound present problems by shifting water shortages from one area to another. Even the Secretary of the Interior has admitted that, but he now condones the result that he once predicted and deplored.

Congress, in recognition of its responsibility to the seven States and the Nation, should either substitute one of our regional bills for the committee bill, or send S. 1004 back to the committee with instructions to write legislation to cope responsibly with the problems of the Colorado River Basin.

THOMAS H. KUCHEL.
GORDON ALLOTT.
CLIFFORD P. HANSEN.

APPENDIX A

The following is a title-by-title analysis of Amendment 214 (a substitute for S. 1004, 90th Congress), supported in the committee by Senators from the States of California, Colorado, Wyoming, and Utah:

TITLE-BY-TITLE ANALYSIS

TITLE I—COLORADO RIVER BASIN PROJECT: OBJECTIVES

Section 101

Provides that the act may be cited as the "Colorado River Basin Project Act."

Section 102

Is a congressional declaration of the urgency attached to the preparation of a plan and program to remedy the present and prospective water shortages in the Southwest as the area is defined in section 605. The proposed National Water Commission and the Water Resources Council, established by the Water Resources Planning Act (79 Stat. 245), are authorized and directed to give highest priority to preparation of such plan and program. The procedure set out in title II for the preparation thereof shall be fully consistent with the provisions of the Water Resources Planning Act. The direction for investigations by the Secretary is similar to the congressional direction, in title I of the River and Harbor Act of 1965, for the northeastern U.S. water supply study by the Secretary of the Army.

The declaration of program purposes includes irrigation and municipal and industrial water supply, outdoor recreation and fish and wildlife enhancement, the generation and sale of hydroelectric power and energy, river regulation, flood control, navigation improvement, and water quality improvement.

TITLE II—SOUTHWEST INVESTIGATIONS AND PLANNING

Section 201

Deal with the investigations which the Secretary of the Interior is to conduct. The objective of these investigations is to resolve the urgent problems of growing water shortages in the Southwest.

The principles, standards, and procedures to be followed in conducting these investigations and in the preparation of reports thereon are to be established by the Water Resources Council in consultation with the Commission and in accordance with the procedure prescribed in section 103 of the existing Water Resources Planning Act. This must be accomplished within 120 days after the date of this act. Section 103 of the Water Resources Planning Act follows:

SEC. 103. The Council shall establish, after such consultation with other interested entities, both Federal and non-Federal, as the Council may find appropriate, and with the approval of the President, principles, standards, and procedures for Federal participants in the preparation of com-

prehensive regional or river basin plans and for the formulation and evaluation of Federal water and related land resources projects. Such procedures may include provision for Council revision of plans for Federal projects intended to be proposed in any plan or revision thereof being prepared by a river basin planning commission.

The Commission can bring to bear on the water problems of the Southwest the views and recommendations of recognized experts outside the Government. The Commission will help provide the framework for seeking solutions to the water needs of the Southwest in collaboration with the Council.

Once the principles, standards, and procedures for conducting the investigations have been established, the Commission, acting pursuant to section 201 of this title, is responsible for directing the investigations. In so doing, it is expected that the Commission will set policy and insure coordination of the studies conducted by the Secretary of the Interior under this title with studies of river basin commissions, States, Federal agencies, and others.

There are seven specific investigations which the Secretary must conduct under the direction of the Commission. The order of listing the investigations does not indicate any priority of accomplishment. For the most part, they should go forward simultaneously.

(1) The first investigation listed goes to the matter of water supplies and requirements in the Southwest and requires a comparison of supplies locally available with future needs. The year 2030 is about as far into the future as one can look with any degree of accuracy.

(2) The investigation listed second requires the Secretary to investigate all possible sources and means of supplying water to meet existing and expected or anticipated water requirements of the Southwest. He will have to determine how much water can be made available through water salvage and reduction in losses. He will have to study, under criteria, procedures, and priorities established by the Council and the Commission, the possibilities of augmenting the water supplies of the Southwest by importation, desalination, weather modification, and any other possible means. We have no preconceived judgment as to which of these possibilities may ultimately turn out to be the most practical solution to the water problems of the Southwest. We expect those making the studies will impartially investigate all possible means of augmenting the water supply of the Colorado River Basin.

(3) Investigation No. 3, applicable only to the lower basin of the Colorado River, goes to the matter of determining where undeveloped water supplies are available or can be made available by replacement or exchange. The Secretary is required, under this provision, to investigate projects in any part of the lower basin of the Colorado River where undeveloped water supplies are available or can be made available by replacement or exchange. The objective of this study is to increase supplies available for local use through further development and exchange agreements.

(4) Investigation No. 4 goes to the matter of water quality and requires coordinated investigations and studies of means and measures to maintain adequate water quality throughout the Southwest.

(5) The objective of investigation No. 5 is the establishment of prudent water conservation practices in order to permit maximum beneficial utilization of available water supplies throughout the Southwest.

The Secretary is required to investigate ways and means of increasing the usefulness of water supplies through water conservation practices. These studies should be closely coordinated with other studies relating to reduction in losses.

(6) Investigation No. 6 involves studies in those States and areas from which water may be imported into the Southwest. Under this provision, the Secretary is directed to prepare estimates of long-range water supply and probable water requirements for all purposes in States and areas which may have surplus water and from which water may be exported. On the basis of these studies he then would have to determine the amounts of water, if any, that would be excess to the ultimate requirements in those areas and available for possible exportation to the Southwest.

Although all of the investigations required by this subsection must be in accordance with directions issued by the National Water Commission and must conform to criteria and procedures established by the Water Resources Council and the Commission, it is in connection with the studies and investigations under this directive and the closely related studies required by paragraph (2) that it would especially be appropriate for the Council and the Commission to exercise their responsibilities and authority.

(7) Investigation No. 7 relates to areas which might be served from importation facilities en route to the Southwest. In connection with the studies involving importation, the Secretary is required, by this provision to consider and study the water needs of areas outside the Colorado River Basin which might possibly be served from importation facilities en route to the Colorado River Basin. For instance, in connection with any study of importation from northern California, the Secretary would have to study the possibility of serving areas in California and Nevada outside the Colorado River Basin through the importation facilities. Should he study importation from the Columbia River Basin, the Secretary would have to consider the possibility of serving areas in Oregon, California, Idaho, and Nevada. Should he study desalting and importation from the Gulf of California, the Secretary could consider the possibility of serving areas within Mexico, and thereby satisfy the Mexican Water Treaty obligation.

Subsection (b) of section 201 relates to the preparation of reports. The reports pertain to the findings and conclusions of the studies conducted pursuant to subsection (a). The directive to the Secretary is that he prepare, in conformity with criteria and procedures established by the Council and the Commission, reconnaissance reports of a staged plan or plans for projects that will meet the requirements indicated by the studies conducted pursuant to subsection (a) of this section. The staged plan or plans will be based upon comprehensive analyses of water resources and water requirements not only in the Southwest but also in the potential areas of origin of water which may be imported into the Southwest.

With respect to paragraph (6) of subsection (a), the purpose of those studies is to determine the quantities of water that are excess of the ultimate needs of the States and areas of origin covered by the studies.

The reports prepared pursuant to subsection (b) would be reconnaissance grade reports covering all possible means of augmenting of the water supplies of the Southwest. The reports will have to conform to the provisions of section 202 which relates to protection for areas of origin.

Subsection (c) of section 201 relates to the plan for first-stage development. The language of this subsection, read in conjunction with section 203, requires a two-phase study in developing the plan for the first stage of works for augmenting the water supplies of the Southwest, and two reports, a reconnaissance grade report, and a feasibility grade report with a time limitation on each, as discussed hereinafter in connection with the analysis of section 203. This first-stage plan must include, but would not be limited to, import works necessary to provide 2.5 million acre-feet annually for use from the main stream of the Colorado River below Lee Ferry.

The significance of the 2.5 million acre-feet of water, which is referred to in several places in this legislation, is that this is the quantity which must be added to the main stream of the Colorado River below Lee Ferry annually to meet the Mexican Water Treaty obligation and to replace the estimated net losses on the river between Lee Ferry and the United States-Mexican boundary.

In addition to the 2.5 million acre-foot minimum, there is discretionary authority for including additional increments for importation in the first-stage plan of development.

First, as provided in paragraph (1), the Secretary may include capacity in any importation plan to divert into the Colorado River up to 2 million acre-feet annually of additional water for use in the Lower Colorado River Basin, bringing the additional water for augmentation of Lower Basin supplies up to a maximum of 4.5 million acre-feet. This provision recognizes that the water requirements of Arizona, California, and Nevada are already greater than 7.5 million acre-feet annually and will continue to grow.

The second discretionary increment of capacity in the plan for the first-stage works is set out in paragraph (2). The Secretary may include facilities to bring into the Colorado River system up to 2 million acre-feet for use in the Upper Colorado River Basin. If this water should be brought into the basin below Lee Ferry, it could be used in the Lower Basin and the obligation of the upper basin under article III(d) of the Colorado River compact would be reduced by a like amount.

Thus, with the basic 2.5 million acre-feet and the first two discretionary increments, the first stage of the Secretary's plan for augmenting the water supplies in the Colorado River system could provide for furnishing up to 6.5 million acre-feet annually.

The third discretionary increment of capacity in the first-stage importation plan, as set out in paragraph (3), provides for making available up to 2 million acre-feet of water annually for use in areas

which can be served from the importation facilities en route from the areas of origin to the Colorado River system. Thus, if the plan calls for an import aqueduct from the rivers of northern California to the Colorado River, it may be feasible to deliver water from it to areas in northern and central California and Nevada. If the plan calls for bringing water from the Columbia, similar opportunities for service may be found in northern California, Oregon, Idaho, and Nevada.

Subsection (d) deals with the Mexican Treaty water burden from the Colorado River. The first sentence declares that satisfaction of the requirements of the treaty constitutes a national obligation.

The Mexican Treaty was entered into in 1944 by the Federal Government as part of a wartime settlement involving the Rio Grande River. This burden is properly a national obligation.

Consequently, the upper basin and the lower basin are both to be relieved of the obligation imposed by article III(c) of the Colorado River compact, which covers deliveries of water to Mexico, but this obligation ends only at such time as the President proclaims that works have been completed and are in operation capable of delivering annually not less than 2.5 million acre-feet into the Colorado River below Lee Ferry from outside the natural drainage area of the Colorado River system and that such sources are adequate to continue to supply such quantities without adversely affecting the foreseeable water requirements of the area or areas of origin.

Subsection (e) is self-explanatory. It simply requires the Secretary of the Interior to submit annual reports to the Commission, the President, and the Congress covering progress on the investigations that he is required to conduct and the reports he is required to prepare under the provisions of this section.

Section 202

Section 202 is directed to the protection of the States and areas of origin.

The provisions of subsection (a) directs the Secretary to make provision for adequate and equitable protection for the interests of the States and areas of origin. Included therein (with respect to water which might be exported for use in the lower basin of the Colorado River) is an authorization of financial assistance from the development fund established in section 403 to the end that water users in the areas of origin will not be prejudiced cost-wise by the exportation of water to the Colorado River system.

Subsection (b) provides a priority for the States and areas of origin in about as sweeping terms as could be devised. For instance, if the exported waters are diverted from any point in the Columbia River Basin or river basins in northern California, any State which has any portion of its area in that basin has a perpetual priority, which can be exercised at any time in the future, to the use of those waters for any and all purposes as against any user of water exported by means of any project that may result from the planning conducted pursuant to this legislation. This is so even though the water so exported is being devoted to consumptive use in the Colorado River Basin by projects whose initiation is prior in time to the future projects in the Columbia

Basin or northern California basins on whose behalf the priority is asserted, and even though the use in the basin or basins of origin is a non-consumptive use such as power, navigation, fish preservation, or pollution control. No Columbia Basin State or California, if it is a State of origin, could be deprived of this protection except with its own consent. California has recognized this protection as eminently fair, although, if its streams are selected as areas of origin, California will contribute to the Colorado far more than this legislation will enable her to divert from that stream.

Section 203

Section 203 sets out the requirements for reports on the first stage of the plan for augmenting the water supplies of the Southwest. The scope of the plan for the first stage is given in section 201(c). A two-phase study in connection with the first stage plan of development will be required and two planning reports will have to be prepared by the Secretary—reconnaissance and feasibility—with time limitations on each.

If the reconnaissance report indicates that (1) a water supply surplus to the needs of the area of origin exists, (2) the benefits of the proposed first stage exceed the costs, and (3) repayment can be made in accordance with the provisions of this act, the Secretary must proceed promptly with additional studies and preparation of a feasibility report on this first stage plan.

Section 204

Section 204 authorizes the appropriation of the sums necessary to carry out the purposes of title II.

TITLE III—AUTHORIZED UNITS: PROTECTION OF EXISTING USES

Sections 301-306

Authorizes the Secretary to construct, operate, and maintain the lower basin units of the Colorado River Basin project. The units are described in sections 302 through 306. The Lower Basin units consist of the Hualapai unit of the main stream reservoir division, the central Arizona unit, and the main stream salvage unit.

The Hualapai Dam, on the main stream of the Colorado River, is to be built so as to have a surface elevation of not more than 1,866 feet above mean sea level. Fluctuations of the reservoir level are restricted to 10 feet. No diversions are allowed from the reservoir except for incidental use in the immediate vicinity. During the hearings on the Colorado River Basin bills a proposal was made by the Department of Water and Power of the City of Los Angeles to increase the generating facilities of the Hualapai Dam. The proposed modification would increase the generating capacity of the dam from 1.5 to 5 million kilowatts, as a pumped storage project, and add an afterbay for river regulation. It was proposed that the generating facilities be operated to achieve maximum peaking power output. Preliminary review of the proposal by the Department of the Interior indicated a high degree of feasibility. However, a provision has been included requiring the Secretary to certify that the proposed hydropump

storage powerplant at Hualapai Dam as a peaking plant is feasible, that costs will be repaid within 50 years of completion, and that he has contracts or letters declaring an intent to contract for the purchase of the power before construction is started. Congress must approve any agreements the Secretary may reach, before those agreements become effective.

The aqueduct for the Central Arizona Project would be capable of transporting 2,500 cubic feet of water per second which is more than adequate to delivery the necessary supply. This part of the bill also includes a priority for 4.4 million acre-feet of water per year from the lower basin supply for the State of California. There has been some disagreement in the past as to whether this obligation would fall upon the upper basin in years of shortage. As insurance to the upper basin, a provision has been included to make it clear that any benefits of section 4(a) of the Boulder Canyon Project Act that the Upper Basin States now possess shall not be disturbed in any way by the priority for 4.4 million acre-feet granted by Arizona to California under the terms of the bill.

In any year in which there is insufficient main stream Colorado River water available to satisfy annual consumptive use of 7.5 million acre-feet in Arizona, California, and Nevada, diversions for the central Arizona unit shall be so limited as to assure the availability of water to meet present perfected rights and contract commitments to water users in Arizona, California, and Nevada, with a limitation of 4.4 million acre-feet on the protection to California. Water users in the State of Nevada will not have to bear shortages in any proportion greater than would have been imposed in the absence of this section. The relative priorities, among themselves, of the water users in the three States whose rights are senior to diversions for the central Arizona unit will not be affected by the provisions of this section.

The effect of the limitation on California imposed by section 4(a) of the Boulder Canyon Project Act is to require California to bear the first impact of any shortage which reduces the water supply from the main stream of the Colorado River for the three States to 7.5 million acre-feet. There are existing projects in California, designed and built to use 5.4 million acre-feet, in anticipation of the availability of 1 million acre-feet of surplus water, and the California projects have actually used 5.1 million acre-feet. Thus, California would have to give up 700,000 acre-feet of existing uses should the main stream supply shrink to 7.5 million acre-feet, and Arizona and Nevada require their full decreed rights. The effect of section 305 of the substitute amendment is that if the supply of main stream water drops below 7.5 million acre-feet, the next impact of shortage will have to be borne by the central Arizona unit. Under this condition diversions for the central Arizona unit would have to be reduced to the extent necessary to assure the availability of water for use in Arizona, California, and Nevada by holders of present perfected rights and for meeting commitments to other users served under existing contracts with the United States, with the protection to California contractors limited, however, to 4.4 million acre-feet.

The provisions in subsection (d) of section 305 have the effect of implementing article IIB(3) of the decree of the Supreme Court in *Arizona v. California* which deals with shortages in the 7.5 million acre-feet apportioned by the Supreme Court. Article IIB(3) directs the Secretary to first satisfy perfected rights and to allocate the remaining available water in accordance with applicable law. This section writes the applicable law which the Secretary would have to follow.

Under the provision of subsection (b) of section 305 the limitation on the central Arizona unit diversions stated in subsection (a) will end whenever the President proclaims that works have been completed and are in operation capable of delivering annually not less than 2.5 million acre-feet of water into the main stream of the Colorado River below Lee Ferry from sources outside the natural drainage area of the Colorado River system. The President's proclamation must also include a finding that this imported water will continue to be available without adversely affecting the satisfaction of future water requirements in any State or area of origin.

Section 307

Directs the Secretary of the Interior to construct, operate and maintain any additional works authorized by Congress as units of the project.

Section 308

Provides that conservation, fish and wildlife, and recreation development shall be in accordance with the Federal Water Project Recreation Act.

Section 309

Under this title the Dixie project in the State of Utah and the southern Nevada water supply project would be integrated into the lower basin development fund.

Section 310

Authorizes necessary appropriations to carry out this title.

TITLE IV—LOWER COLORADO RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS: CONTRACTS

Section 401

Provides for allocations of costs.

Section 402

Relates to the cost of serving Indian lands.

Section 403

This section relates to the establishment and operation of a separate fund in the Treasury of the United States to be known as the Lower Colorado River Basin development fund. The fund, which is applicable only to Lower Basin units and to any importation works hereafter authorized for the benefit of the Lower Basin, is established by subsection (a).

To the extent that there are moneys in the fund not required for repayment of the Lower Basin units and projects authorized in this act, they will be available to assist future projects, including any importation works hereafter authorized for augmentation of water supplies in the lower basin and the protection of States and areas of origin of imported water.

Section 404

Sets out the general provisions that are to be included in the irrigation and municipal and industrial water supply contracts that are to be applicable to projects authorized in the act.

Section 405

Requires the Secretary to submit annual financial reports to the Congress on a fiscal year basis showing the status of the cost of constructing, operating and maintaining each lower basin project and unit and the status of revenues received. The report must show the investment allocated to each purpose, the up-to-date status of repayment, and the estimated return necessary to accomplish full repayment under the provisions of this act.

TITLE V—UPPER COLORADO RIVER BASIN AUTHORIZATIONS
AND REIMBURSEMENTS

Title V involves the authorization of construction and operation of additional projects in the Upper Colorado River Basin as well as the planning of additional projects. This is accomplished by amending the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620). This title also provides for reimbursement of the Upper Colorado River Basin fund for expenditures made from that fund to meet deficiencies in the generation at Hoover Dam during the filling of Lake Powell.

Section 501

The five projects that will be authorized by subsection (a) are the Animas-La Plata project in Colorado and New Mexico, and the Dolores, Dallas Creek, West Divide, and San Miguel projects in Colorado. They will be authorized as participating projects under the Colorado River Storage Project Act. The five projects will cost an estimated \$360 million.

These five projects are participating projects of the Colorado River storage project and have been on drawing boards for many years. Pay-out studies by the Department of the Interior show that repayment of costs from the Upper Colorado River Basin fund is well within Colorado's share of that fund.

Senate Document No. 80 of the 75th Congress, which deals with internal water priorities in the State of Colorado, has been the subject of intrastate disputes between the east and west slopes of Colorado. Representatives of both sides of the Continental Divide, after long negotiations, have agreed upon an interpretation that is included in section 501(e) of the bill. It does not concern any other State.

Section 502

Provides the method for repayment to the Upper Colorado River Basin fund on account of deficiencies in Hoover generation during the filling period of Lake Powell. Another subject of dispute between the Upper and Lower Basins of the river is thus laid to rest in section 502. This section provides for a method of repayment to the Upper Basin fund of money that has been diverted therefrom to pay for diminutions in generation at Hoover Dam attributed to the filling of reservoirs of the Colorado River storage project. This section is the result of long and detailed negotiations between representatives of the upper and lower basin States.

TITLE VI—GENERAL PROVISIONS; DEFINITIONS; CONDITIONS

Title VI is the outgrowth of many months of detailed computation, studies, and negotiations by some of the most able water engineers and lawyers in the West and in the Department of the Interior. In section 602 it formalizes reservoir operating principles. The operating criteria are fair and reasonable to both basins. They do not violate any of the principles of either the Colorado River compact or the Upper Colorado River Basin compact. They do, however, provide direction to the Secretary with respect to how to operate storage reservoirs under the terms of the compacts and yet allow for sufficient flexibility that extraordinary changing conditions can be successfully met.

Storage in Lake Powell is the key to whether the Upper Division States can deliver water at Lee Ferry as required by articles III(c) and III(d) of the compact without curtailment of upper basin consumptive uses. If there is not adequate water storage in Lake Powell to make the required releases during periods of drought, it is possible that Upper Basin consumptive uses would have to be curtailed in order to fulfill the compact obligations. The greater the storage in Lake Powell, the less likelihood there will be of this happening. On the other hand, if too much water is withheld in Lake Powell on the grounds that it is necessary for later discharge of Upper Basin compact obligations, the possibility of spill and resulting wastage and consequent denial of use in the Lower Basin is increased. The language of title VI, implementing operations under the compact, is intended to establish a commonsense balance between the right of the Upper Division States to store water to meet future delivery requirements under the compact and the Lower Basin's right under article III(e) of the compact to demand the release of water stored in the Upper Basin to meet Lower Basin consumptive uses. In general terms, the levels of Lake Mead and Lake Powell will rise and fall together, not in exact step, but in coordination, not competition, with each other.

APPENDIX B

The following is a brief analysis showing the principal differences between amendment No. 213, as offered by Senator Hansen of Wyoming, and amendment No. 214, as offered by Senators Kuchel and Allott.

(1) Amendment No. 213 makes a minor change in the wording of section 201(b), as found on page 4, line 20 of amendment No. 214.

This change eliminates the clause "in the judgment," which refers to the Secretary of the Interior. The change also seeks to clarify the reference to a previous subsection of the section in question.

(2) Amendment No. 213 makes a major change by way of a complete substitute to section 203 as found on pages 7 and 8 of amendment No. 214.

It is to be noted that section 201(e) of amendment No. 214 requires the submission of progress reports and reconnaissance reports authorized by section 201(b) to the Commission, the President, and the Congress each year.

Senator Hansen's change in section 203 directs and authorizes the making of a feasibility report. If this feasibility report proves favorable, then construction of the first stage of importation work is authorized to begin within 5 years of the effective date of the act.

(3) On page 5, line 9 of amendment No. 214, the word "shall" is substituted for "may" making plans under section 201 for import works in additional quantities totaling 6 million acre-feet mandatory (under amendment No. 213) rather than discretionary.

(4) Section 501(a) found at page 33 of amendment No. 214 is changed by adding a proviso beginning on line 14, which has the effect of simply deferring construction on three Colorado projects (Dallas Creek, West Divide, and San Miguel) until the commencement of construction of importation works as authorized in section 203.

(5) The second sentence of section 501(a) of amendment No. 214 is changed by simply deleting the words "Kendall Reservoir on Green River and" which are found at page 34, lines 1 and 2.

This change merely would refrain from specifying this particular site as the basis for a transmountain diversion.

In executive session of the committee, it was Wyoming's view that amendment No. 214, as offered by Senators Kuchel and Allott, was far preferable to the bill being considered by the committee, S. 1004, or the bill introduced by Senator Jackson at the request of the administration, S. 1013. Therefore, Wyoming supported amendment No. 214 in committee. But Wyoming did not feel that amendment No. 214 went far enough in providing positive guarantees for the importation of water into the Colorado River Basin. Because of this conviction, Senator Hansen, joined by his colleague from Wyoming, Senator McGee, want Wyoming's position, as represented by amendment No. 213, to be perfectly clear to the committee and to the Congress.

APPENDIX C

(This appendix is a June 26, 1967, letter to Senator Kuchel, with accompanying separate tables setting forth the Secretary's repayment analysis for the Central Arizona Project with either a 2,500 cubic feet per second main aqueduct or a 3,000 cubic feet per second main aqueduct. Subsequently Senator Kuchel was informed by the Bureau of Reclamation that the tables may contain an error on the order of plus or minus 1 percent.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 26, 1967.

HON. THOMAS H. KUCHEL,
*U.S. Senate,
Washington, D.C.*

DEAR SENATOR KUCHEL: This is in reply to your letter of June 21, 1967, requesting data concerning the Central Arizona Project under the provisions of S. 1004, including amendments currently proposed by Senator Hayden.

Enclosed are the studies you requested reflecting the 2,500 cubic feet per second and 3,000 cubic feet per second capacity main aqueducts. You will note that the tabulations vary in some respects from the format enclosed with your request. The variations, which were necessary to accommodate the form of our data and probable method of administering the development fund, are as follows:

1. Hoover Dam and Parker-Davis project surplus revenues are indicated as varying in 10-year averages rather than annually. The amount of such revenues depends upon projected hydrologic conditions. The 10-year averages give the same ultimate results as would annual estimates, but they simplify calculations.

2. The Parker-Davis project surplus revenues are shown as a single amount. The projects were consolidated into a single account consistent with the consolidation of the projects into a single project by law in 1954 (68 Stat. 143).

3. The revenues from Hoover Dam, Parker-Davis project, and the intertie are entitled "surplus" rather than "gross." The proposed amendment assigns only the surplus revenues of these projects to the Lower Colorado River Basin development fund. Operation, maintenance, and replacement costs would be deducted first, not paid from the development fund.

4. The surplus revenues of the intertie have not been divided between the States of Arizona and Nevada. Unless legislation provided a split of surplus revenues or the States agreed to a split, we have no basis for making an arbitrary division.

5. We have shown a division between O. & M. and replacement costs in regard to the prepaid power facilities only. The replacement cost column indicates the cost of "plant replacement" necessary because of the limited useful life of major facilities. Some incidental replacement costs remain included in the O. & M. column. We have not shown replacement costs separately for irrigation and M. & I. facilities because of the extreme complexity of doing so and the short time available.

6. We do not include a "reserve for emergency expenses" in our accounting methods.

7. We have shown no payments to the Upper Colorado River Basin fund under section 5(d)(2). The proposed amendment would first apply the payments of \$500,000 per year currently being made to the

Colorado River development fund to this purpose during the remainder of the payout period of Hoover Dam. Although the amendment would apply further payments from the proposed development fund to this purpose after that time, if necessary, such payments would not be required if average runoff of the Colorado River occurs over the next 20 years. Assumption of future average runoff has been basic to our studies.

8. In our payout analyses, interest during construction is normally added to capital investment and repaid as a part of capital costs. For your purposes, we have separated this interest from other capital costs and shown the payments on unpaid balance as applied to this cost first.

9. We have separated power costs into interest-free and interest-bearing components. That portion of power costs which is allocable to irrigation pumping is repayable* without interest. Costs allocable to M. & I. pumping and commercial power are interest bearing.

10. The plan including a 3,000 cubic feet per second main aqueduct will require 470 megawatts of prepaid power capacity rather than the 400 megawatts associated with the 2,500 cubic feet per second plan.

11. Both of the studies include the assumption of a 4.4 million acre-foot priority to California.

12. In the studies we continued payments in lieu of taxes to Arizona and Nevada (\$600,000 annually) from Hoover Dam revenues after payout of the dam. We have also included surplus revenues after payout from the Mead-Phoenix portion of the intertie (\$763,000 annually). These two changes, which are offsetting except as to initial date of occurrence, were not reflected in the payout studies we provided you in response to your letter of June 13, 1967. We have also included the minor amount necessary to cover the diminution of revenues from the Coolidge powerplant by reason of operating Hooker Dam. The amount shown of \$5,000 annually was estimated from a cursory study. The exact amount required could be determined only by a detailed operating study. The net effect of these three changes is to reduce slightly the development fund balances shown in the response to your letter of June 13, 1967.

13. In the payout studies accompanying our letters of June 17 and 23, we showed accumulations to the development fund starting in advance of payment of all irrigation costs with transfers from the development fund to the credit of irrigation repayment at the end of the irrigation repayment period. In the attached payout studies, we have shown repayment of irrigation at the earliest time that development fund revenues permit. Inasmuch as the costs involved are repaid without interest, this represents merely an accounting choice and has no effect on the development fund accruals in the year 2025. The format of your tabulation appeared to favor the latter choice.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

REPAYMENT ANALYSIS—CENTRAL ARIZONA PROJECT WITH DEVELOPMENT FUND AND 2,500 C.F.S. AQUEDUCT¹

Year	I. Gross revenues													Total gross revenue						
	Gross revenues from project, sec. 5(c)(1)																			
	Gross sales of M. & I. water						Gross sales of irrigation water		Gross sales of commercial power		Gross sales of power for M. & I. pumping		Gross sales of power for irrigation pumping		Surplus revenues for development fund					
	Revenue, at \$50 per acre-foot		Acre-feet		Revenue, at \$10 per acre-foot		Kilowatt-hours		Revenue, at 5 mills per kilowatt-hour		Kilowatt-hours		Revenue, at 3 mills per kilowatt-hour		Hoover		Parker-Davis		Intertie	
Thou-sands	Thou-sands	Thou-sands	Thou-sands	Thou-sands	Millions	Thou-sands	Millions	Thou-sands	Millions	Thou-sands	Millions	Thou-sands	Millions	Thou-sands	Millions	Kilowatt-hours	Revenue ²	Thou-sands		Revenue ²
1973	12	\$600	38	\$380	171	\$855	5	\$25	628	\$1,884	---	---	---	---	---	---	---	---	---	\$1,005
1974	77	3,850	418	4,180	171	855	111	555	2,428	7,284	---	---	---	---	---	---	---	---	---	11,324
1975	82	4,100	1,453	14,530	171	855	121	605	2,383	7,149	---	---	---	---	---	---	---	---	---	27,374
1976	87	4,350	1,425	14,250	192	960	128	640	2,383	7,149	---	---	---	---	---	---	---	---	---	27,349
1977	128	6,400	1,359	13,590	192	960	250	1,250	2,271	6,813	---	---	---	---	---	---	---	---	---	27,349
1978	136	6,800	1,328	13,280	222	1,110	267	1,335	2,218	6,654	---	---	---	---	---	---	---	---	---	29,013
1979	144	7,200	1,297	12,970	252	1,260	285	1,425	2,161	6,483	---	---	---	---	---	---	---	---	---	29,179
1980	152	7,600	1,264	12,640	281	1,405	302	1,425	2,108	6,324	---	---	---	---	---	---	---	---	---	29,338
1981	160	8,000	1,233	12,330	311	1,555	319	1,595	2,057	6,171	---	---	---	---	---	---	---	---	---	29,479
1982	168	8,400	1,201	12,010	341	1,705	334	1,670	2,004	6,012	---	---	---	---	---	---	---	---	---	29,651
1983	176	8,800	1,170	11,700	371	1,855	352	1,760	1,950	5,850	---	---	---	---	---	---	---	---	---	29,797
1984	184	9,200	1,138	11,380	401	2,005	371	1,855	1,897	5,691	---	---	---	---	---	---	---	---	---	29,965
1985	192	9,600	1,106	11,060	431	2,155	386	1,930	1,843	5,529	---	---	---	---	---	---	---	---	---	30,131
1986	200	10,000	1,075	10,750	460	2,300	405	2,025	1,789	5,367	---	---	---	---	---	---	---	---	---	30,214
1987	208	10,400	1,043	10,430	490	2,450	424	2,120	1,735	5,205	---	---	---	---	---	---	---	---	---	30,442
1988	208	10,400	1,043	10,430	490	2,450	424	2,120	1,735	5,205	---	---	---	---	---	---	---	---	---	30,605

1988	216	10,800	1,011	10,110	520	2,600	440	2,200	1,682	5,046	3,873	\$11,992	1,151	23,981	78,763	20,800	2,107,149
1989	224	11,200	980	9,800	549	2,745	458	2,390	1,628	4,884	3,873	11,992	1,151				
1990	232	11,600	947	9,470	380	2,900	476	2,380	1,573	4,719	3,873	11,992	1,151				
1991	240	12,000	919	9,190	607	3,035	490	2,450	1,526	4,578	3,873	11,992	1,151				
1992	248	12,400	890	8,900	634	3,170	507	2,535	1,478	4,434	3,873	11,992	1,151				
1993	256	12,800	861	8,610	662	3,310	525	2,625	1,428	4,284	3,873	11,992	1,151				
1994	264	13,200	833	8,330	689	3,445	542	2,710	1,378	4,134	3,873	11,992	1,151				
1995	272	13,600	804	8,040	717	3,585	559	2,795	1,330	3,990	3,873	11,992	1,151				
1996	280	14,000	776	7,760	745	3,725	577	2,885	1,281	3,843	3,873	11,992	1,151				
1997	288	14,400	747	7,470	772	3,860	593	2,965	1,232	3,696	3,873	11,992	1,151				
1998	296	14,800	719	7,190	800	4,000	609	3,045	1,184	3,552	3,873	11,992	1,151				
1999	304	15,200	690	6,900	827	4,135	628	3,140	1,134	3,402	3,873	11,992	1,151				
2000	312	15,600	661	6,610	885	4,275	648	3,240	1,086	3,258	3,873	11,992	1,151				
2001	312	15,600	631	6,510	871	4,355	648	3,240	1,068	3,204	3,873	11,992	1,151				
2002	312	15,600	641	6,410	886	4,430	648	3,240	1,049	3,147	3,873	11,992	1,151				
2003	312	15,600	630	6,300	902	4,510	648	3,240	1,032	3,096	3,873	11,992	1,151				
2004	312	15,600	619	6,190	918	4,590	648	3,240	1,013	3,039	3,873	11,992	1,151				
2005	312	15,600	609	6,090	934	4,670	648	3,240	995	2,985	3,873	11,992	1,151				
2006	312	15,600	598	5,980	950	4,750	648	3,240	977	2,931	3,873	11,992	1,151				
2007	312	15,600	588	5,880	966	4,830	648	3,240	959	2,877	3,873	11,992	1,151				
2008	312	15,600	577	5,770	982	4,910	648	3,240	941	2,823	3,873	11,992	1,151				
2009	312	15,600	566	5,660	998	4,990	648	3,240	922	2,766	3,873	11,992	1,151				
2010	312	15,600	556	5,560	1,014	5,070	648	3,240	904	2,712	3,873	11,992	1,151				
2011	312	15,600	545	5,450	1,030	5,150	648	3,240	887	2,661	3,873	11,992	1,151				
2012	312	15,600	535	5,350	1,045	5,225	648	3,240	868	2,604	3,873	11,992	1,151				
2013	312	15,600	525	5,250	1,062	5,310	648	3,240	850	2,550	3,873	11,992	1,151				
2014	312	15,600	514	5,140	1,078	5,390	648	3,240	831	2,493	3,873	11,992	1,151				
2015	312	15,600	503	5,030	1,093	5,465	648	3,240	814	2,442	3,873	11,992	1,151				
2016	312	15,600	493	4,930	1,109	5,545	648	3,240	796	2,388	3,873	11,992	1,151				
2017	312	15,600	482	4,820	1,125	5,625	648	3,240	778	2,334	3,873	11,992	1,151				
2018	312	15,600	471	4,710	1,142	5,710	648	3,240	760	2,280	3,873	11,992	1,151				
2019	312	15,600	462	4,620	1,157	5,785	648	3,240	741	2,223	3,873	11,992	1,151				
2020	312	15,600	451	4,510	1,173	5,865	648	3,240	724	2,172	3,873	11,992	1,151				
2021	312	15,600	440	4,400	1,189	5,945	648	3,240	706	2,118	3,873	11,992	1,151				
2022	312	15,600	430	4,300	1,205	6,025	648	3,240	687	2,061	3,873	11,992	1,151				
2023	312	15,600	419	4,190	1,221	6,105	648	3,240	669	2,007	3,873	11,992	1,151				
2024	312	15,600	409	4,090	1,237	6,185	648	3,240	651	1,953	3,873	11,992	1,151				
2025	312	15,600	399	3,990	1,253	6,265	648	3,240	633	1,899	3,873	11,992	1,151				
Total	13,338	666,900	40,499	404,990	39,783	198,915	27,312	136,560	66,667	200,001	130,680	400,220	23,981	78,763	20,800	2,107,149	

See footnotes at end of table, p. 141.

REPAYMENT ANALYSIS—CENTRAL ARIZONA PROJECT WITH DEVELOPMENT FUND AND 2,500 C.F.S. AQUEDUCT I—Continued

II. Deductions from gross revenues, secs. 5(d) (1.2.3.4)

Year	Sec. 5(d)(1) O. M. & R.				Sec. 5(d)(2) Upper Colorado River Basin fund	Sec. 5(d)(4) payments to Arizona water users a/c Coolidge Dam	Sec. 5(d)(3), cross reference to sec. 5(f)					Total return of costs
	M. & I.	Power		Irrigation			Return of costs (sec. 5(f)(1))					
		O. & M. ⁴	Plant replacement				M. & I.	Irrigation	Power			
									Interest bearing	Interest free		
Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	
1973	\$638	\$1,940	\$30	\$709	0	\$5	-\$1,214	-\$1,560	-\$2,158	-\$5	-\$2,779	
1974	951	4,135	3,257	709	0	5	-1,850	4,420	0		-3,968	
1975	753	10,105	6,027	709	0	5	-1,637	4,308	0		-2,783	
1976	814	9,937	6,023	709	0	5	-3,350	4,079	0		958	
1977	1,512	9,506	6,023	709	0	5	-2,106	3,937	76		1,973	
1978	1,600	9,338	6,019	709	0	5	-1,862	3,831	972		2,151	
1979	1,717	9,134	6,014	709	0	5	-1,639	3,696	1,081		3,164	
1980	1,830	8,939	6,008	709	0	5	-1,405	3,547	1,202		3,372	
1981	1,917	8,778	6,004	709	0	5	-1,137	3,420	1,311		3,612	
1982	2,020	8,585	5,999	709	0	5	-877	3,307	1,438		3,854	
1983	2,138	8,388	5,993	709	0	5	-623	3,180	1,575		4,122	
1984	2,260	8,195	5,988	709	0	5	-365	3,057	1,693		4,390	
1985	2,363	7,998	5,984	709	0	5	-80	2,943	1,831		4,670	
1986	2,486	7,802	5,978	709	0	5	0	2,820	1,978		4,774	
1987	2,609	7,605	5,973	709	0	5	0	2,694	2,118		4,798	
1988	2,717	7,411	5,968	709	0	5	0	2,579	2,265		4,812	
1989	2,834	7,216	5,962	709	0	5	0	2,449	2,421		4,844	
1990	2,953	7,016	5,959	709	0	5	0	2,449	2,421		4,870	

1991	3,050	6,842	5,953	709	0	0	5	14,561	2,343	3,891	16,904
1992	3,163	6,664	5,949	709	0	0	5	11,220	2,231	15,558	17,342
1993	3,280	6,480	5,944	709	0	0	5	---	2,125	15,633	17,683
1994	3,394	6,297	5,939	709	0	0	5	---	2,028	13,289	17,661
1995	3,506	6,119	5,935	709	0	0	5	---	4,345	---	19,140
1996	3,649	5,914	5,930	709	0	1,506	5	---	17,647	---	21,204
1997	3,757	5,733	5,926	709	0	3,964	5	---	17,610	---	21,574
1998	3,865	5,556	5,921	709	0	4,384	5	---	17,588	---	21,972
1999	4,013	5,347	5,916	709	0	4,777	5	---	17,592	---	22,369
2000	4,141	5,168	5,912	709	0	5,203	5	---	17,581	---	22,784
2001	4,141	5,112	5,909	709	0	5,511	5	---	17,054	---	22,425
2002	4,166	5,027	5,906	709	0	5,519	5	---	17,060	---	22,579
2003	4,166	4,973	5,903	709	0	5,697	5	---	17,036	---	22,733
2004	4,192	4,887	5,900	709	0	5,855	5	---	17,038	---	22,893
2005	4,192	4,830	5,898	709	0	6,044	5	---	20,816	---	26,860
2006	4,192	4,773	5,895	709	0	6,238	5	---	20,792	---	27,030
2007	4,218	4,690	5,892	709	0	6,414	5	---	20,804	---	27,218
2008	4,218	4,633	5,889	709	0	6,620	5	---	20,780	---	27,400
2009	4,243	4,548	5,887	709	0	6,809	5	---	17,084	---	23,893
2010	4,243	4,491	5,884	709	0	7,029	5	---	---	---	7,029
2011	4,243	4,437	5,881	709	0	7,255	5	---	---	---	7,255
2012	4,269	4,351	5,878	709	0	7,463	5	---	---	---	7,463
2013	4,294	4,294	5,877	709	0	7,704	5	---	---	---	7,704
2014	4,294	4,209	5,874	709	0	7,927	5	---	---	---	7,927
2015	4,294	4,155	5,871	709	0	8,183	5	---	---	---	8,183
2016	4,320	4,072	5,867	709	0	8,421	5	---	---	---	8,421
2017	4,320	4,015	5,864	709	0	8,692	5	---	---	---	8,692
2018	4,345	3,933	5,863	709	0	8,948	5	---	---	---	8,948
2019	4,345	3,874	5,860	709	0	9,236	5	---	---	---	9,236
2020	4,371	3,794	5,857	709	0	9,508	5	---	---	---	9,508
2021	4,371	3,737	5,854	709	0	9,815	5	---	---	---	9,815
2022	4,396	3,652	5,852	709	0	10,106	5	---	---	---	10,106
2023	4,422	3,568	5,849	709	0	10,406	5	---	---	---	10,406
2024	4,422	3,511	5,846	709	0	10,742	5	---	---	---	10,742
2025	4,447	3,430	5,843	709	0	2,781	5	---	---	---	2,781
Total	177,059	309,144	305,433	36,868	0	194,029	260	43,584	322,301	48,366	608,280

See footnotes at end of table, p. 141.

REPAYMENT ANALYSIS—CENTRAL ARIZONA PROJECT WITH DEVELOPMENT FUND AND 2,500 C.F.S. AQUEDUCT 1—Continued

Year	II. Deductions from gross revenues, secs. 5(d) (1, 2, 3, 4)—Continued						III. Net revenues to development fund		Cumulative balance in development fund
	Interest, sec. 5(f)(2)						Total of deductions	Net revenues to development fund	
	Interest during construction	Interest on investment		Total interest		Total return of costs and interest			
		Power	M. & I.	Thousands	Thousands				
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
1973			\$1,176	\$1,176	—\$1,603	\$1,005			
1974			\$1,486	4,719	6,205	11,324			
1975	\$453		1,555	4,984	6,539	27,374			
1976	476		1,541	6,886	8,903	27,349			
1977	766		1,525	6,994	9,285	29,013			
1978	794		1,501	7,062	9,357	29,179			
1979	0		1,473	7,122	8,596	29,338			
1980	0		1,441	7,175	8,616	29,479			
1981	0		1,406	7,220	8,626	29,651			
1982	0		1,368	7,257	8,625	29,797			
1983	0		1,325	7,285	8,610	29,965			
1984	0		1,279	7,305	8,584	30,131			
1985	0		1,228	7,317	8,545	30,274			
1986	195		1,174	7,319	8,688	30,442			
1987	478		1,115	7,313	8,906	30,605			
1988	785		1,051	7,298	9,134	30,756			
1989	1,094		983	7,272	9,349	30,919			
1990	1,410		910	7,237	9,557	31,069			
1991	1,758		832	7,192	9,782	43,245			
1992	2,102		362	7,135	9,599	43,431			
1993	2,453			7,067	9,520	43,621			

1994	2,818				9,806	27,467	43,811	
1995	1,691				8,588	21,728	44,002	
1996					6,794	27,998	44,205	
1997					6,679	28,253	44,383	
1998					6,551	28,523	44,579	
1999					6,410	28,779	44,769	
2000					6,256	29,040	44,975	
2001					6,088	28,513	44,389	
2002					5,915	28,494	44,307	
2003					5,737	28,470	44,226	
2004					5,553	28,446	44,139	
2005					5,364	32,224	47,858	
2006					5,170	32,200	47,774	
2007					4,968	32,186	47,700	
2008					4,762	32,162	47,616	
2009					4,548	28,441	43,833	\$3,696
2010					4,328	11,357	26,689	24,462
2011					4,102	11,357	26,632	20,402
2012					3,868	11,331	26,543	20,409
2013					3,627	11,331	26,485	20,398
2014					3,379	11,306	26,397	20,399
2015					3,123	11,280	26,340	20,370
2016					2,859	11,280	26,253	20,294
2017					2,588	11,280	26,193	20,270
2018					2,307	11,255	26,110	20,274
2019					2,019	11,255	26,048	20,264
2020					1,721	11,229	25,965	20,266
2021					1,414	11,229	25,905	19,922
2022					1,098	11,204	25,818	19,922
2023					772	11,178	25,731	25,132
2024					436	11,178	25,671	25,135
2025					90	2,871	17,305	33,413
Total	17,273	23,555	272,746	313,574	921,854	1,750,618	356,531	356,531

¹ Assumptions:

A—Development fund: Hoover, Parker-Davis revenues, Nevada-Arizona intertie revenues,

CAP revenues.

B—Ad valorem tax deleted.

C—400 megawatt steamplant, United States prepaying \$92,000,000.

D—4,400,000 acre-feet priority to California.

² After Hoover payout, energy sold at an average of 4 mills per kilowatt-hour and payments in lieu of taxes amounting to \$600,000 annually continued.

³ Parker-Davis average rates: 2.5 mills per kilowatt-hour for irrigation pumping; 4.7 mills per kilowatt-hour for commercial energy.

⁴ Small component of interim replacement included (0.35 percent of investment).

REPAYMENT ANALYSIS—CENTRAL ARIZONA PROJECT WITH DEVELOPMENT FUND AND 3,000 C.F.S. AQUEDUCT 1—Continued

Year	I. Gross revenues														
	Gross revenues from project, sec. 5(c)(1)														
	Gross sales of M. & I. water		Gross sales of irrigation water		Gross sales of commercial power		Gross sales of power for M. & I. pumping		Gross sales of power for irrigation pumping		Surplus revenues for development fund				
	Acre-feet	Revenue, at \$50 per acre-foot	Acre-feet	Revenue, at \$10 per acre-foot	Kilowatt-hours	Revenue, at 5 mills per kilowatt-hour	Kilowatt-hours	Revenue, at 5 mills per kilowatt-hour	Kilowatt-hours	Revenue	Kilowatt-hours	Revenue ²	Parker-Davis	Intertie	Total gross revenue
Thou-sands	Thou-sands	Thou-sands	Thou-sands	Millions	Thou-sands	Millions	Thou-sands	Millions	Thou-sands	Millions	Thou-sands	Millions	Thou-sands	Thou-sands	Thou-sands
1973	12	\$600	38	\$380	175	\$875	-5	\$25	628	\$1,884					\$1,005
1974	77	3,850	418	4,180	175	875	111	555	2,903	8,709					11,344
1975	82	4,100	1,726	17,260	175	875	121	605	2,903	8,709					31,549
1976	87	4,350	1,683	16,830	224	1,120	128	640	2,836	8,508					31,448
1977	128	6,400	1,609	16,090	228	1,140	250	1,250	2,706	8,118					32,898
1978	136	6,800	1,567	15,670	274	1,370	267	1,335	2,633	7,899					33,074
1979	144	7,200	1,524	15,240	320	1,600	285	1,425	2,558	7,674					33,139
1980	152	7,600	1,481	14,810	365	1,825	302	1,510	2,487	7,461					33,206
1981	160	8,000	1,439	14,390	410	2,050	319	1,595	2,415	7,245					33,280
1982	168	8,400	1,396	13,960	458	2,290	334	1,670	2,342	7,026					33,346
1983	176	8,800	1,353	13,530	504	2,520	352	1,760	2,270	6,810					33,420
1984	184	9,200	1,310	13,100	549	2,745	371	1,855	2,196	6,588					33,488
1985	192	9,600	1,267	12,670	597	2,985	386	1,930	2,123	6,369					33,554
1986	200	10,000	1,224	12,240	641	3,205	405	2,025	2,051	6,153					33,623
1987	208	10,400	1,181	11,810	687	3,435	424	2,120	1,976	5,928					33,693
1988	216	10,800	1,138	11,380	734	3,670	440	2,200	1,903	5,709					33,759

[illegible]

See footnotes at end of table, p. 147.

REPAYMENT ANALYSIS—CENTRAL ARIZONA PROJECT WITH DEVELOPMENT FUND AND 3,000 C.F.S. AQUEDUCT I—Continued

11. Deductions from gross revenues, secs. 5(d) (1.2.3.4)											
Year	Sec. 5(d)(1) O. M. & R.			Sec. 5(d)(2) payments to Upper Colorado River Basin fund	Sec. 5(d)(4) payments to Arizona water users a/c Coolidge Dam	Sec. 5(d)(3), cross reference to sec. 5(f)					Total return of costs
	M. & I.	Power				M. & I.	Irrigation	Power		Return of costs [sec. 5(f)(1)]	
		Irrigation	Plant replacement					Interest bearing	Interest free		
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	
1973	\$674	\$30	\$833	0	\$5	-\$1,257	-\$1,676	-\$2,687	-\$5	-\$2,938	
1974	1,066	3,504	833	0	5	-1,753	-87	0		-4,527	
1975	760	7,003	833	0	5	-1,753	5,503	0		3,994	
1976	796	6,994	833	0	5	-3,197	5,286	0		2,089	
1977	1,471	11,539	833	0	5	-1,925	5,011	0		3,086	
1978	1,586	11,074	833	0	5	-1,702	4,849	602		3,749	
1979	1,705	10,816	833	0	5	-1,476	4,683	1,248		4,455	
1980	1,792	10,552	833	0	5	-1,210	4,478	1,392		4,660	
1981	1,907	10,327	833	0	5	-964	4,314	1,538		4,888	
1982	2,012	10,071	833	0	5	-700	4,142	1,692		5,134	
1983	2,131	9,813	833	0	5	-442	3,967	1,858		5,383	
1984	2,228	9,558	833	0	5	-153	3,771	2,024		5,642	
1985	2,332	9,324	833	0	5	0	3,599	2,193		5,792	
1986	2,457	9,066	833	0	5	0	3,424	2,371		5,795	
1987	2,581	8,811	833	0	5	0	3,258	2,555		5,813	
1988	2,690	8,547	833	0	5	0	3,086	2,741		5,827	
1989	2,809	8,289	833	0	5	0	2,921	2,931		5,852	
1990	2,929	8,034	833	0	5	0	2,752	3,131		5,883	
1991	3,028	7,773	833	0	5	0	2,634	15,307		17,941	
1992	3,142	7,591	833	0	5	0	2,523	9,923		18,416	
1993	3,261	7,402	833	0	5	0	2,414		5,970	18,711	
1994	3,376	7,211	833	0	5	961	2,305		16,386	19,652	
1995	3,490	7,020	833	0	5	3,479	2,924		15,744	22,147	

1996	3,609	6,643	6,861	833	0	5	3,872	18,648	---	---	---	22,520
1997	3,718	6,454	6,856	833	0	5	4,288	18,624	---	---	---	22,912
1998	3,855	6,242	6,851	833	0	5	4,689	18,616	---	---	---	23,305
1999	3,979	6,048	6,846	833	0	5	5,116	18,606	---	---	---	23,722
2000	4,108	5,859	6,841	833	0	5	5,552	18,582	---	---	---	24,134
2001	4,136	5,777	6,838	833	0	5	5,703	18,079	---	---	---	23,782
2002	4,136	5,771	6,836	833	0	5	5,887	18,068	---	---	---	23,955
2003	4,136	5,667	6,833	833	0	5	6,077	18,049	---	---	---	24,126
2004	4,136	5,613	6,831	833	0	5	6,273	18,024	---	---	---	24,297
2005	4,163	5,532	6,828	833	0	5	6,448	21,830	---	---	---	28,278
2006	4,163	5,475	6,825	833	0	5	6,656	21,816	---	---	---	28,472
2007	4,163	5,422	6,823	833	0	5	6,871	21,795	---	---	---	28,666
2008	4,190	5,311	6,820	833	0	5	7,065	21,803	---	---	---	28,868
2009	4,190	5,284	6,818	833	0	5	7,293	21,793	---	---	---	29,086
2010	4,190	5,230	6,815	833	0	5	7,529	13,612	---	---	---	21,141
2011	4,217	5,149	6,812	833	0	5	7,744	---	---	---	---	7,744
2012	4,217	5,093	6,810	833	0	5	7,994	---	---	---	---	7,994
2013	4,217	5,039	6,807	833	0	5	8,252	---	---	---	---	8,252
2014	4,244	4,938	6,805	833	0	5	8,491	---	---	---	---	8,491
2015	4,244	4,901	6,802	833	0	5	8,765	---	---	---	---	8,765
2016	4,271	4,820	6,799	833	0	5	9,021	---	---	---	---	9,021
2017	4,271	4,766	6,797	833	0	5	9,311	---	---	---	---	9,311
2018	4,271	4,713	6,794	833	0	5	9,612	---	---	---	---	9,612
2019	4,298	4,629	6,792	833	0	5	9,895	---	---	---	---	9,895
2020	4,298	4,575	6,789	833	0	5	10,214	---	---	---	---	10,214
2021	4,298	4,522	6,786	833	0	5	10,543	---	---	---	---	10,543
2022	4,325	4,437	6,784	833	0	5	10,856	---	---	---	---	10,856
2023	4,325	4,384	6,781	833	0	5	9,077	---	---	---	---	9,077
2024	4,352	4,303	6,779	833	0	5	---	---	---	---	---	0
2025	4,352	4,249	6,776	833	0	5	---	---	---	---	---	0
Total	175,235	354,568	353,548	43,316	0	260	190,298	364,026	48,819	54,392	657,535	

See footnotes at end of table, p. 147.

REPAYMENT ANALYSIS—CENTRAL ARIZONA PROJECT WITH DEVELOPMENT FUND AND 3,000 C.F.S. AQUEDUCT¹

II. Deductions from gross revenues, secs. 5(d) (1, 2, 3, 4)—Continued							III. Net revenues to development fund	
Year	Interest, sec. 5(f)(2)				Total return of costs and interest	Total of deductions	Net revenues to development fund	Cumulative balance in development fund
	Interest during construction	Interest on investment		Total interest				
		Power	M. & I.					
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
1973		\$1,664	\$1,183	\$1,183	\$1,755	\$1,005		
1974	\$602	1,751	4,597	6,261	11,734	11,344		
1975	709	1,732	4,849	7,202	11,196	31,549		
1976		1,709	6,751	9,192	11,281	31,448		
1977	505	1,677	6,854	9,535	12,621	32,998		
1978	0	1,642	6,916	9,098	12,847	33,074		
1979	0	1,601	6,971	8,613	13,068	33,139		
1980	0	1,557	7,018	8,619	13,279	33,206		
1981	0	1,507	7,057	8,614	13,502	33,280		
1982	0	1,452	7,088	8,595	13,729	33,346		
1983	0	1,452	7,111	8,563	13,946	33,420		
1984	0	1,392	7,125	8,517	14,159	33,488		
1985	138	1,327	7,130	8,595	14,387	33,554		
1986	417	1,256	7,126	8,799	14,594	33,623		
1987	707	1,180	7,112	8,999	14,812	33,693		
1988	1,021	1,097	7,089	9,207	15,034	33,759		
1989	1,335	1,009	7,056	9,400	15,252	33,833		
1990	1,658	915	7,013	9,586	15,469	33,901		
1991	2,012	814	6,960	9,786	27,727	46,071		
1992	2,363	320	6,895	9,578	27,994	46,258		
1993	2,720		6,819	9,539	28,250	46,437		
1994	2,132		6,731	8,863	28,515	46,621		
1995			6,631	6,631	28,778	46,806		

1996	6,519	25,602	17,291	255,291	298,184	955,719	1,882,646	378,706	378,706
1997	6,394			3,639	3,639	11,383	28,399	21,442	29,594
1998	6,256			3,389	3,389	11,383	28,341	21,426	51,020
1999	6,105			3,131	3,131	11,383	28,284	21,407	72,427
2000	5,940			2,865	2,865	11,356	28,201	21,414	93,841
2001	5,761			2,591	2,591	11,356	28,141	21,400	115,241
2002	5,577			2,308	2,308	11,329	28,057	21,314	136,555
2003	5,387			2,018	2,018	11,329	28,001	21,294	157,849
2004	5,191			1,717	1,717	11,329	27,945	21,274	179,123
2005	4,989			1,407	1,407	11,302	27,859	21,286	200,409
2006	4,781			1,088	1,088	11,302	27,802	21,277	221,686
2007	4,566			759	759	11,302	27,746	20,937	242,623
2008	4,345			419	419	11,275	27,659	26,140	268,763
2009	4,117			69	69	9,146	18,526	35,202	303,965
2010	3,881			0	0		16,272	37,380	341,345
2011	3,639			0	0		16,215	37,361	378,706
2012	3,389								
2013	3,131								
2014	2,865								
2015	2,591								
2016	2,308								
2017	2,018								
2018	1,717								
2019	1,407								
2020	1,088								
2021	759								
2022	419								
2023	69								
2024	0								
2025	0								
Total	17,291	25,602	17,291	255,291	298,184	955,719	1,882,646	378,706	378,706

¹ Assumptions:

A—Development fund: Hoover, Parker-Davis revenues, Nevada-Arizona intertie revenues,

C.A.P. revenues.

B—Ad valorem tax deleted.

C—470-megawatt steam plant, United States prepaying \$109,000,000.

D—4,400,000 acre-feet priority to California.

² After Hoover payout, energy sold at an average of 4 mills per kilowatt-hour and payments in lieu of taxes amounting to \$600,000 annually continued.³ Parker-Davis average rates: 2.5 mills per kilowatt-hour for irrigation pumping; 4.7 mills per kilowatt-hour for commercial energy.⁴ Small component of interim replacement included (0.35 percent of investment).

INDIVIDUAL VIEWS OF MR. ALLOTT

While I concur with the minority views there are several other aspects of the subject legislation upon which I wish to express certain additional views.

Anyone who attended the hearings on Colorado River Basin legislation could ascertain that, although I hold great sympathy for the plight of my good neighbors in Arizona and would like very much to aid them to obtain a needed supplemental water supply project, the certainty of the adverse effects of such a project on my own State of Colorado and the Upper Basin of the Colorado River, if simultaneously there is not authorized and immediately activated a suitable water importation plan prevents me from supporting S. 1004. I wish to remind readers of this report that I have enthusiastically supported scientific investigation of other forms of water supply augmentation, such as desalination and weather modification. This support has been at the authorization level through the Interior and Insular Affairs Committee and at the funding level through the Appropriations Committee. Furthermore, so long as these scientific investigations are constructive, I will continue to give them my aid.

On the other hand, because these processes are still in the investigation stage and have not been proven from a hydrologic engineering basis, nor practicable from either an economical or legal basis, it would be imprudent to rely upon these unproven processes as a "solution" to the water problems of my State or the Upper Basin. While the Secretary of the Interior has "high hopes" over the potentials of these processes, I see no reason why my State, instead of the Secretary's State, should be selected as the guinea pig, awaiting the results of experimentation into physical, engineering, economic, and legal problems to which the answers might or might not be able to produce more water in the quantities at an affordable cost, at the location, and at the times when it would be needed to supply future water requirements. I cannot tie the future of my State to such a risky, and nebulous, prospective solution when the proven method of importing water from other river basins is open for investigation and project planning.

I am firmly convinced that the presently deficient Colorado River water supply is soon going to be utilized to the extent that the rate of development of Colorado—in fact, of the entire seven States of the basin is going to be drastically retarded. For this fundamental reason I cannot support the committee's version of S. 1004, which eliminates any study of an importation of water from outside sources and does not authorize the construction of Hualapai Dam as a revenue producer to aid in paying for water supply augmentation.

On behalf of Colorado's future welfare I am particularly concerned about the water supply problems that will be created in the Colorado River Basin if S. 1004 is enacted into law since it does not contain the basic principles of a true regional water resource solution

as does my bill, S. 1242, and also amendment 214. While it is true that the existing water supply would meet the requirements of the five Colorado projects authorized by the committee bill I cannot ignore the facts developed by recent water supply studies and the testimony of expert witnesses before congressional committees.

The Colorado River is the most controversial body of water in the Western Hemisphere, if not in the world. This river may soon be the first major river on earth to have its supply controlled by man and used in such a way that not one drop will ever again be discharged into the ocean. Water resource problems, like problems associated with any other commodity in limited supply, tend to becoming increasingly complicated as the water becomes more scarce. Increasingly complex decisions are required. The Colorado River is no exception. S. 1004 does not supply essential solutions.

THE WATER SUPPLY PROBLEM

For at least 50 years the water resources of the Colorado River Basin have been the subject of controversy. The available supplies are severely limited in relation to other natural resources in the seven basin States. Water needs are continuing to expand. The imbalance has become more acute during the past 20 years as a result of increasing populations and westward migration of hundreds of thousands of people seeking new opportunities and new homes.

From the authorization of the first Federal water development project in the basin, the Congress has been subjected to a barrage of conflicting testimony concerning the amount of available water and the uses for which it should or should not be developed. On almost every occasion when legislation involving the Colorado River has been considered, the committee has heard testimony indicating wide differences of opinion with regard to the dependability of the water supply actually available for consumptive use. For this reason, the chairman of the House Interior and Insular Affairs Committee, when considering H.R. 4671 in the 89th Congress, demanded that the States of the Colorado River Basin produce up-to-date water supply analyses and state their position in light of the results.

During the course of the hearings on H.R. 4671, the House Committee on Interior and Insular Affairs received testimony concerning three detailed analyses of a water supply. These analyses were prepared by engineers of the Bureau of Reclamation, by engineers of the States of Arizona, California, and Nevada, and by the engineering firm of Tipton & Kalmbach, Inc. (under the auspices of the Upper Colorado River Commission representing the States of Colorado, New Mexico, Utah, and Wyoming). The three sets of studies were based upon different assumptions as to net channel and evaporation losses, rates of future increase of Upper Basin stream depletion, and, in some instances, the periods of streamflow records employed, although the studies of the Upper Colorado River Commission embrace many combinations of these factors.

The important result of these three analyses is the surprising degree of agreement with respect to the water supply remaining available for development in the basin and for the central Arizona unit, in particular.

The differences in the final results of the three studies relate only to the expected time when utilization of the entire water resource of the basin will be reached.

Summaries of the more pertinent conclusions derived from each study are as follows:

1. Bureau of Reclamation

The Bureau concluded that through the year 1990 the central Arizona unit will have a water supply of at least 1,200,000 acre-feet per year. After 1990, as the Upper Basin depletions increase, a water supply from the Colorado River available to the Lower Basin States will decrease accordingly. If a priority were granted by this legislation to California for the use of 4.4 million acre-feet annually, and to other water users in Arizona and Nevada holding similar water rights and contracts for the water, shortages would have to be absorbed by the Central Arizona Project. The water supply estimated by the Bureau of Reclamation for the Central Arizona Project indicates the availability of at least 1,200,000 acre-feet in 1975, not less than 1,200,000 acre-feet in the year 1990, approximately 900,000 acre-feet in the year 2000, and only 580,000 acre-feet in the year 2030.

According to testimony of the Commissioner of Reclamation on H.R. 4671 and similar bills in the 89th Congress, by adopting a reservoir operation designed to produce the greatest average annual yield, based upon the average of the entire period 1906-65 and using part of the flood control storage in Lake Mead for regulation, there would be available for a Central Arizona Project 2,142,000 acre-feet of water in 1975, diminishing to 822,000 acre-feet in 2030.

In the 90th Congress, testimony from the same source on H.R. 3300 and the pending Senate bills, using the same period of water supply records, indicates that there would be available for the Central Arizona Project (with a 2,500 cubic feet per second aqueduct) 1,650,000 acre-feet of water in 1975; 1,255,000 in 1990; 1,026,000 in 2000; and 676,000 acre-feet in the year 2030.

Senate Report No. 1330, 88th Congress, second session, on S. 1658, a bill to authorize construction of a Central Arizona Project says:

Based on what the Commissioner of Reclamation described as conservative estimates of runoff and optimistic estimates of the buildup of upper basin uses, it would appear that the lower basin States will have a Colorado River supply of 7.5 million acre-feet until 1975, after which, barring a return to favorable flow conditions there may be a decline below that figure. [Emphasis supplied.]

2. Upper Colorado River Commission (Tipton & Kalmbach, Inc.)

From the analysis of the Upper Colorado River Commission, it was concluded that the shortage of water in the mainstream of the Colorado River to supply (1) 2,800,000 acre-feet for consumptive use in Arizona; (2) up to 4,400,000 acre-feet for consumptive use in California; (3) 300,000 acre-feet for beneficial consumptive use in Nevada; and (4) 1,500,000 acre-feet of water to Mexico will amount to over 1 million acre-feet by the year 2000. The analysis also indicates that shortages could exceed 1,500,000 acre-feet by that year and could com-

mence by the year 1991, and almost certainly would occur by the year 1995.

The estimated consumptive use by *presently conceived projects* could utilize by the year 2000 more water than will be physically available from the Colorado River.

The studies actually revealed that with presently existing water storage capacity, and assuming curtailment of delivery of water at Lee Ferry to an average of 7.5 million acre-feet per annum, the depletions in the States of the upper division would be limited by nature to 6.3 million acre-feet per year. The net depletion, excluding evaporation from reservoirs of the Colorado River storage project, would be 5.6 million acre-feet. Thus, due to the vagaries of nature it appears that the upper division States will be curtailed in their total water resource development to an amount about 20 percent below that apportioned to them in 1922 by the Colorado River compact.

3. Lower Basin

An independent and different approach to the water supply problems of the Colorado River was presented in a joint report to the House Subcommittee on Irrigation and Reclamation in August 1965 by engineers representing the States of California, Arizona, and Nevada. These engineers recognized that the future water supply of a stream with such a widely fluctuating annual runoff as the Colorado River cannot be predicted with absolute confidence. They stated that recent studies of the virgin flow of the Colorado River at Lee Ferry indicated a dependable yield of about 13.7 to 14 million acre-feet per year. Probability studies showed that there is a 50-50 chance that the future virgin flow will be 14.9 million acre-feet per year. The engineers concluded that *with a water supply augmentation program pending*, it would be in the national interest to construct the Central Arizona Project.

They further concluded that the supply of water from the Colorado River will neither be sufficient to meet future demands, estimated to be about 18 million acre-feet per annum by the year 2000, nor to meet the apportionment of consumptive use of water made by the Colorado River Compact (to the Upper and Lower Basins) and by the Mexican Water Treaty.

MY CONCLUSIONS RE WATER SUPPLY

All of the studies indicate the presence of a serious water deficiency in the Lower Basin of the Colorado River. They show a real crisis is being faced by Arizona, southern California, and Nevada. Furthermore, the same crisis is coming closer and closer to the Upper Basin with each passing year. *Therefore, the fundamental issue facing the Congress involves the question of the water supply deficiency of the entire Colorado River Basin.*

All of the studies indicate that any large increase in use of water in the Lower Basin must even now be supplied in part from water apportioned by the compact to the Upper Basin but which is presently unused by it. As the Upper Basin progresses with its development, the amount of unused water will diminish until there will be no surplus Upper Basin water available for use in the Lower Basin. The supply will diminish unless augmented from other sources. In the absence of

imported water the average divertible supply for the Central Arizona Project will reach precariously low levels by the turn of the century.

On the basis of water supply studies available, and testimony presented at the hearings, it is apparent that the water supply of the Colorado River will neither be sufficient to meet the future requirements of the area dependent upon it, nor to meet apportionments of consumptive use of water made by the Colorado River compact to the Upper and Lower Basins, plus the delivery of water to Mexico, as required by the international treaty. It is only a question of time until the water requirements exceed the amount of water available. This condition will occur whether or not the Central Arizona Project is constructed.

Now that the bill has been stripped of provisions that would lead to a water augmentation program, we must look at the *dependable yield* of 13.7 to 14.0 million acre-feet per year rather than at the chance of obtaining 14.9 million acre-feet per year, or the 15.06 million acre-feet per year estimated by the Bureau of Reclamation. This more conservative approach reveals that there is little water available for the Central Arizona Project over a long-term period.

It is important to keep in mind that the Supreme Court apportionment among the Lower Basin States is conditional, based upon available water supply. Arizona's apportionment is 2.8 million acre-feet per year, *but only if 7.5 million acre-feet per year are available for consumptive use in the Lower Basin*. The Bureau of Reclamation has estimated that existing Arizona projects and Indian reservation needs will consume at full development 1,230,000 acre-feet per year. This will leave a maximum of 1,570,000 acre feet per year available for use by the Central Arizona Project if 7.5 million acre-feet per year is available for consumptive use in the Lower Basin. With a dependable yield of only 13.7 to 14 million acre-feet per year calculated at Lee Ferry, the delivery point to the Lower Basin, less than 7.5 million acre-feet per year will be available for consumptive use in 1977, the assumed first year of full operation of the Central Arizona Project. This quantity will diminish in subsequent years as the Upper Basin continues to use its apportioned water.

WHOSE WATER?

The 1922 Colorado River compact apportioned the consumptive use of water of the Colorado River on a basis of 7.5 million acre-feet per year to the Upper Basin and 7.5 million acre-feet to the Lower Basin, with an additional provision of 1 million acre-feet of consumptive use to Lower Basin. (Legally, the Upper Basin is required to deliver 7.5 million acre-feet of water to the Lower Basin as a rolling 10-year average. While it is not technically accurate to say that the Upper Basin must deliver to the Lower Basin at Lee Ferry 7.5 million acre-feet annually, it is frequently discussed in this manner.) Adding to that the Mexican Water Treaty obligation of 1.5 million acre-feet, the result is a total draft upon the river of 17.5 million acre-feet annually. Reliable hydrologic studies, discussed earlier, clearly show that that much water is simply not available.

The Tipton report, discussed elsewhere in these views, estimates the quantity of water available for the Upper Basin at 6.3 million acre-feet annually, taking into consideration the 7.5 million acre-feet annual

delivery at Lee Ferry. Of that 6.3 million acre-feet, 700,000 is chargeable to reservoir losses in the Upper Basin, leaving 5.6 million acre-feet for utilization. Upper Basin water uses now total approximately 3 million acre-feet.

Arizona is reminded that the Colorado River compact places a heavy burden upon the Upper Basin States by requiring the delivery of 7.5 million acre-feet per year at Lee Ferry. Despite the fact that the Upper Basin was apportioned 7.5 million acre-feet of consumptive use by the compact, the facts are that there is not enough water in the river to satisfy the delivery requirement to the Lower Basin and leave the Upper Basin with its full apportionment. With the virgin flow of the river as calculated at Lee Ferry more in the neighborhood of 13.7 to 14 million acre-feet, annually, the Upper Basin then, starts off by absorbing a shortage of from 1.2 to 2 million acre-feet annually, depending upon the Mexican Water Treaty Obligation.

The projections used in all the departmental calculations with regard to the Central Arizona Project are based upon utilization of 5.8 million acre-feet of the Upper Basin's water, considering the 7.5 million acre-feet annual delivery to the Lower Basin, at the year 2030. This contemplates 63 years for the Upper Basin to put to beneficial use only 5.8 million acre-feet of its 7.5 million acre-feet apportionment, and anticipates a stagnated development commensurate with such a gloomy projection. I cannot accept this dismal outlook with regard to Upper Basin development, particularly in light of the population pressures of today.

Such projections can only be based upon an unrealistic prognosis of the population growth of the Upper Basin States. The combined population of Colorado, New Mexico, Utah, and Wyoming now exceeds 4 million persons, and indications are that future growth will greatly accelerate. In addition, water needs per person are continually increasing. To forecast only a constant rate of water development over the next 60 years, which is implicit in the projection of full use of the Upper Basin's remaining water by 2030, instead of contemplating accelerated water development needs, is to ignore the facts. The Department, then, is only planning for an additional development of 2.7 million acre-feet of water by the year 2030. The question then is: "Why is the Upper Basin's development projected at a snail's pace?"

On the other hand, the Department of Interior plans to sell 1.8 million acre-feet of water through the Central Arizona Project in 1975. Applying a 10-percent loss factor, over 2 million acre-feet will be diverted annually to just one project in the Lower Basin, a project which is planned to divert water in 5 years.

A colloquy appearing on page 133 of the 1965 hearings before the House Committee on Interior and Insular Affairs on H.R. 4761 is particularly pertinent here:

Mr. WYATT. Would we be talking about this project here today without the prospects of augmentation of the Lower Colorado River system?

Secretary UDALL. I think the answer to that is "Yes."

Mr. ASPINALL. Will the gentleman yield?

Mr. WYATT. Yes.

Mr. ASPINALL. Only at the expense and with the use of the Upper Colorado Basin entitlement under the Colorado River compact.

Secretary UDALL. During the period in which——

Mr. ASPINALL. I don't care whether it is during that period or whether it lasts forever. That is the only way it can be done, because there is a shortage in the Lower Basin at the present time, if we consider only water to which the Lower Basin is entitled.

Secretary UDALL. I am proceeding on the major assumption of the 7.5 million acre-feet delivery and the contemplation of the assumption with regard to buildup in the Upper Basin depletion.

Mr. ASPINALL. But the fact is without that water which the Upper Basin is not using this project could not be here before Congress.

Mr. DOMINY. I agree.

It is patently clear that the Central Arizona Project is predicated upon the use of water apportioned to the Upper Basin but which is presently unused. If the development of the Upper Basin exceeded the gloomy and, in my opinion, unrealistic projections of the Department of Interior, the question then becomes: Is the Central Arizona Project feasible? The Upper Basin States are not included, they know that without augmentation the feasibility of the Central Arizona Project depends upon a retarded development of the Upper Basin, a development that has already been retarded for too long.

The Upper Basin States are anxious to develop their lawful and rightful share of the waters of the Colorado River.

S. 1004—THE COMMITTEE BILL IGNORES REALITY

The bill approved by the committee completely ignores the fact that the water supply of the Colorado River is inadequate to meet the future demands on the river. Addition of a new major project to the Lower Colorado River Basin without commencing action for long-range solutions to the water supply problems of the entire basin will only tend to aggravate the problem and jeopardize resource development in the Upper Basin.

The vast oil shale deposits of Colorado, Utah, and Wyoming may become a primary source of petroleum. There are now favorable indications that the technological problems can be solved.

In a recent hearing before the Senate Independent Offices Appropriations Subcommittee, Farris Bryant, Director of the Office of Emergency Planning, commented upon the Middle East crisis and the effects of the embargo on oil shipments. Quoting from his testimony, Mr. Bryant said:

... While U.S. demands on Middle East oil are not large, a failure to maintain the flow of oil to Western Europe could have serious adverse effects on our national security.

Last month, I attended a meeting of the NATO Senior Civil Emergency Plans Committee, during which the harmful effect on certain of our NATO allies of continued reduced deliveries of Middle East oil was made abundantly clear. The interrelationships between our national security and that of our NATO allies is the cornerstone of this organization.

With fluid world conditions and the fragileness of the alliances which now permit foreign oil production for importation into the United States and Western Europe, the national security implications of a future oil shale industry take on added significance. But an oil shale industry of any significant size will require considerable water, both in the upgrading and processing of the shale oil and in the related industries, associated services, and domestic needs of the communities to house the employees operating these plants. As an example of direct water use, I have been informed by oil shale experts that shale oil (kerogen) is a hydrogen-deficient hydrocarbon. It requires hydrogenation before refining, and this process requires water—a lot of water. Estimates are that hydrogenation of shale oil requires 1½ barrels of water per barrel of oil. Water development will obviously have a direct relationship to oil shale development.

But the Upper Basin cannot afford to base its future on the development of one mineral to the exclusion of others, nor can the Nation permit it. Other important resources of the Upper Basin must also be developed under a balanced program. It would be unthinkable for the Upper Basin to defer other development solely for the preservation of sufficient water from our dwindling supply for the express purpose of developing only one resource. While present indications are favorable, it is a fact that a commercially and economically feasible method of extracting shale oil from oil shale has not been proven, and commercial production does not now exist.

Balanced development will require full development of our apportionment under the Colorado River Compact, and augmentation of our water resource is essential in order for the Upper Basin to receive its full apportionment of 7.5 million acre-feet annually. *S. 1004 totally fails to come to grips with these needs.*

At the hearings on S. 861, S. 1004, S. 1013, S. 1242, and S. 1409 witnesses from my own State of Colorado and the States of Utah and Wyoming expressed great concern over the fact that most of the water left for future development in the Upper Basin of the Colorado River, and which would have to be used on the Central Arizona Project under S. 1004, is water that has been apportioned to those states for their consumptive use. Representatives of these three states believe that it is the duty of Congress to assure their future development of water resources by protecting the water apportioned to them by compacts. I concur with them completely. This protection can and should be realistically provided in this legislation by authorizing studies of all forms of augmentation of water supplies, such as reductions in water losses, water conservation practices, desalination, weather modification, importation of water from outside the natural drainage basin of the Colorado River, and other means. Directly, or by exchange, the new water could be utilized by states in both the Lower and Upper Basins.

THE COMMITTEE BILL, S. 1004—ITS DEFICIENCIES AND OMISSIONS

I wish to emphasize that I am not opposed to the authorization of the Central Arizona Project *per se*, providing other essential legislative features are included. I am opposed to the enactment of S. 1004, the committee bill, in its present form. I do support the principles em-

bodied in S. 861, S. 1242, S. 1409, and H.R. 3300 (pending in the House) of the 90th Congress. Of the bills before the Senate, I regard S. 861, S. 1242, and S. 1409 as "regional bills" because they would provide a means of relieving the present and potential acute water shortages facing the seven states of the Pacific Southwest region served by the Colorado River system. Although S. 1004 is not limited to providing benefits to only one state, it certainly does not represent a regional approach to regional problems. As a matter of fact, enactment of S. 1004 would accomplish exactly what the Secretary of the Interior forecasted when he said that the availability of additional Colorado River water to Arizona *"is no solution at all to the regional water problems (because) it merely temporarily moves the shortage from one place to another."* The Secretary could have spoken no truer words. It is regrettable that his intestinal fortitude waned to the degree that he no longer adheres to a concept of activating his own ideas.

COLORADO'S FIVE PROJECTS

I am, and always have been, an ardent supporter of Colorado's five projects—Animas-La Plata, Dolores, San Miguel, West Divide, and Dallas Creek—that are included for authorization in the committee's bill. On the other hand, I am fully aware that both Senators from Arizona—in concert with members of the majority, after having three times rejected amendments in the form of substitute bills that were proposed by Senator Kuchel, of California, Senator Hansen, of Wyoming, and myself—bills that would have provided a regional solution for the Southwest's water problems—inserted the five projects in S. 1004 as a political sop in an effort to subvert Colorado's congressional delegation from its own state's position. I refuse to take this bait. I believe Colorado's position is sound because without Hualapai Dam and initiation of activities leading to an importation of water into the Colorado River, Colorado will soon find her future resource development encased in an inflexible, limited pattern from which escape will be impossible. Oil shale enterprises, petrochemical industries, other related resource developments, agriculture and associated water consuming activities, which we can see over the horizon would be pushed back into the darkness.

Furthermore, all members of Colorado's delegation are fully aware of the fact that it is a long step from project authorization, through the processes of advance planning, the appropriation of construction funds, and actual construction of a project. The present administration has shown no signs that it would be enthusiastic about constructing Colorado's five projects at an early date. As a matter of fact, while the Seedskadee Project in Wyoming was authorized in 1956, after 11 years of delay it has yet to be funded for construction. Three years have elapsed since our Savery-Pot Hook project and Fruitland Mesa projects were authorized in 1964. The administration still has not requested construction funds and they remain in the planning stage. Considering the apathetic attitude of the administration to the above-mentioned three projects, there is little reason to believe that adding five more projects to the administration's cold storage locker will accelerate water resources development in Colorado. We must not be deluded.

Colorado cannot afford the Central Arizona Project if its costs includes the shelving of its future water development, while Central Arizona development rolls merrily along, in the absence of legislative guarantees under which my state can unquestionably retrieve from Arizona the water that would be "loaned" to her under the terms of S. 1004. If there were some effective manner of guaranteeing simultaneous construction of Colorado's five projects, and any other Upper Basin projects that can be made ready, so that their completion and operation would antedate, or at the least coincide with the completion of the Central Arizona Project, the situation would be somewhat more palatable.

CONCLUSION

I have repeatedly stated that I could not support and would be compelled to actively resist any Central Arizona legislation which did not provide for *all* of the following four elements :

- (1) Provide for the repayment to the Upper Basin fund of the charges made to it for power deficiencies during the filling of Glen Canyon Dam ;
- (2) Provide for the five Colorado projects (Dolores, San Miguel, West Divide, Dallas Creek, and Animas-La Plata) ;
- (3) Provide for some beginning of a study for the importation of water ; and
- (4) Provide for the Hualapai Dam.

Only two of these four elements are contained in S. 1004 as reported by the Committee, the repayment provision and the five Colorado projects.

I repeat, all four elements are essential to the resolution of the Upper Basin dilemma. This is the official position of the Governor of Colorado and of the Colorado Water Conservation Board, which is by statute charged with the responsibility of water development and conservation in the State of Colorado, and it is the position that has been taken by members of the Colorado congressional delegation.

It should be remembered by all concerned that nearly 92 percent of all of the virgin flow of the Colorado River originates in the Upper Basin, while less than half is reserved for Upper Basin use by the effects of the Colorado River Compact. Colorado's sister States should also be reminded of the fact that Colorado was apportioned only 51.75 percent of Upper Basin water, under the terms of the Upper Colorado River Basin Compact. But, over 70 percent of the virgin flow of the Colorado River as measured at Lee Ferry is produced in Colorado, according to the records of the Upper Colorado River Commission. Colorado has been generous in sharing her precious water resources, and as such is entitled to the good will and support of her Sister Colorado River Basin States in resolving her water problems.

During the Senate hearings on this legislation, the Secretary of the Interior characterized the Hualapai Dam " * * * as a gun pointed at the Columbia River." Using the same kind of analogy, if the Hualapai Dam is a gun pointed at the Columbia River, then S. 1004, authorizing the Central Arizona Project without Hualapai Dam or provision for importation studies, is a nuclear missile aimed at the Upper Basin with the primary point of impact in Colorado.

GORDON ALLOTT.

INDIVIDUAL VIEWS OF MR. HANSEN

INTRODUCTION

I strongly oppose S. 1004, the Central Arizona Project bill, which the Senate Interior Committee has recently voted to report to the Senate, and I urge that it be disapproved by the Congress.

This legislation proposes to bring immediate relief to the water needs of Arizona, but it does so at the expense of the long-range interests of all the States, including Arizona, of the Colorado River Basin. The bill represents a serious threat to the proper economic development of the entire seven-State Colorado River Basin and is inimical to the best interests of the Nation as a whole.

The State of Wyoming has never shirked in making its position clear with respect to Federal legislation proposed through the years which would bring a solution to the water needs of the Pacific Southwest. The views of Wyoming's representatives appear in the legislative record as follows:

1. Memorandum from Floyd A. Bishop, Wyoming State Engineer, to Clifford P. Hansen, Governor of Wyoming, dated May 27, 1965, hearings on "H.R. 4671 and Similar Bills" before the Subcommittee on Irrigation and Reclamation of the House Committee on Interior and Insular Affairs, 89th Congress, first session (1965), page 460.

2. Memorandum from John F. Raper, attorney general of the State of Wyoming, to Clifford P. Hansen, Governor of Wyoming, dated May 27, 1965, *ibid.*, page 459.

3. Letter from Clifford P. Hansen to Hon. Wayne Aspinall, chairman, House Interior Committee, dated May 28, 1965, *ibid.*, page 459.

4. Letter from Clifford Hansen to Wayne Aspinall, dated June 22, 1965, *ibid.*, page 461.

5. Statement of Teno Roncalio, Congressman from Wyoming, August 23, 1965, *ibid.*, page 78.

6. Letter from Clifford Hansen to Wayne Aspinall, dated August 24, 1965, *ibid.*, page 461.

7. Statement of Clifford P. Hansen, Governor of Wyoming, August 26, 1965, *ibid.*, page 363.

8. Letter from Clifford Hansen to Wayne Aspinall, dated September 10, 1965, *ibid.*, page 374.

9. Statement of Clifford P. Hansen, Governor of Wyoming, presented by H. T. Person, commissioner, Upper Colorado River Commission, May 11, 1966, hearings on "H.R. 4671 and Similar Bills" before the Subcommittee on Irrigation and Reclamation of the House Committee on Interior and Insular Affairs, 89th Congress, second session (1966), page 1189.

10. Statement of William H. Harrison, Congressman from Wyoming, March 13, 1967, hearings on "H.R. 3300 and Similar Bills, S. 20 and Similar Bills," before the Subcommittee on Irrigation and Reclamation of the House Committee on Interior and Insular Affairs, 90th Congress, first session (1967), page 183.

11. Statement of Senator Clifford P. Hansen, March 16, 1967, *ibid.*, page 361.

12. Statement of Senator Gale McGee, March 16, 1967, *ibid.*, page 397.

13. Statement of Stanley K. Hathaway, Governor of Wyoming, March 16, 1967, *ibid.*, page 363.

14. Letter from Floyd A. Bishop, Wyoming State Engineer, to Hon. Harold T. Johnson, chairman, Subcommittee on Irrigation and Reclamation, House Interior Committee, dated March 24, 1967, *ibid.*, page 393.

15. Letter from Gov. Stanley K. Hathaway to Hon. Harold T. Johnson, dated March 27, 1967, *ibid.*, page 378.

16. Statement of Floyd A. Bishop, State engineer, accompanied by John Bereman, Interstate Streams engineer for the State of Wyoming; Thomas Cahill; and C. J. Kuiper, May 4, 1967, hearings on "S. 1004, S. 1013, S. 861, S. 1242, and S. 1409," before the Subcommittee on Water and Power Resources of the Senate Committee on Interior and Insular Affairs, 90th Congress, first session (1967), page 405.

Most recently, Mr. Floyd Bishop, Wyoming's State Water Engineer, testifying on behalf of Governor Hathaway before the Senate Interior Committee of this Congress said:

Wyoming has continually faced a difficult choice on this Colorado River Basin legislation. We are reluctant to oppose a project which makes it possible for Arizona to utilize her apportionment of Colorado River Basin waters. However, as a fundamental precept, we think it unwise to authorize Federal projects which require a greater amount of water than is apportioned to the various entities by interstate compact agreements. We believe that these compacts state the supreme and only method of allocating the waters of the Colorado River. We think it is wrong to authorize Federal projects which will utilize in the lower basin a greater apportionment of water than the lower basin entitlement, and we have the same reservations as it applies to the authorization of Federal projects in the upper basin for any State in excess of its apportionment. (Hearing on "S. 1004, S. 1013, S. 861, S. 1242, and S. 1409," before the Subcommittee on Water and Power Resources of the Senate Committee on Interior and Insular Affairs, 90th Congress, first session, May 4, 1967, pp. 418-19).

It is Wyoming's view that S. 1004 would result in the utilization by Arizona of waters previously allocated to Upper Basin States. Simply stated, the Central Arizona Project would rely on water borrowed from the Upper Basin.

Those who support this legislation have refused to write into it any safeguards insuring the availability and return of this loaned water

when it was needed by the lending States of the Upper Basin. Absent such safeguards, Wyoming must oppose this Central Arizona Project bill.

INTERSTATE COMPACTS

Wyoming believes that the Colorado River compact of 1922, the Upper Colorado River Basin compact of 1948, and the Water Treaty of 1944 with the United Mexican States represent the supreme law of the river. All Colorado River legislation considered by the Congress must recognize the supremacy of these agreements. Congress should pass no laws which would be inconsistent in word or in fact with the terms of these agreements.

(The 1922 compact involves all seven States in the drainage of the Colorado River. It provides for a division of water use between the Upper Basin and the Lower Basin, with the dividing point between the two basins being located at Lee Ferry near the Arizona-Utah State line. This 1922 compact apportioned from the Colorado system in perpetuity, to the Upper Basin and to the Lower Basin, respectively, exclusive beneficial consumptive use of $7\frac{1}{2}$ million acre-feet annually.

Wyoming also believes that the Lower Basin water supply apportioned by the compact consists of the sum of the following:

- (1) $7\frac{1}{2}$ million acre-feet of water delivered by the Upper Basin at Lee Ferry;

- (2) The virgin flow of all of the Lower Basin tributaries of the Colorado River;

- (3) Runoff from precipitation which falls on the river or reservoirs or on lands which drain directly into the Colorado River.

Wyoming further believes that before the Upper Basin is required to deliver any water at Lee Ferry to satisfy the Mexican Treaty obligation, the sum of the three aforementioned sources of water must be less than 9 million acre-feet which is accounted for as follows:

- (1) $7\frac{1}{2}$ million acre-feet of beneficial consumptive use in the entire Lower Basin;

- (2) $1\frac{1}{2}$ million acre-feet to Mexico.

In the event the sum of the three sources of water available for use in the Lower Basin falls below 9 million acre-feet, then, and only then, is the Upper Basin obligated to deliver additional water at Lee Ferry. The additional delivery required if such deficiency occurred is limited to one-half of the amount by which the total water supply available to the Lower Basin fails to produce 9 million acre-feet per year.

Unfortunately, Arizona apparently does not agree with this interpretation of the Colorado River compact. Arizona apparently contends that the Upper Basin is obligated to deliver at Lee Ferry an average of $7\frac{1}{2}$ million acre-feet per year to satisfy the requirements of the Colorado River Compact of 1922, plus an additional three-fourths of a million acre-feet per year in satisfaction of half of the Mexican Treaty burden. Arizona must base its interpretation upon its contention that the Gila River and other Lower Basin tributaries within the United States were excluded from the terms of the Colorado River Compact.

Arizona's contention flies in the face of the terms of the 1922 Compact which clearly apportioned to the Lower Basin, and to the Upper Basin as well, the use of specific quantities of water from the "Colorado

River system" which included "that portion of the Colorado River and its tributaries within the United States of America." The Mexican Water Treaty itself placed the burden for delivery of water to Mexico upon "the waters of the Colorado River from any and all sources * * *" (Treaty Series 207, article 10).

During the recent executive session of the Senate Interior Committee which was devoted to the marking up of S. 1004, I proposed an amendment which would have ended this existing disagreement between the Upper Basin States and the State of Arizona. That amendment would have added a new subsection "c" to section 9 of S. 1004. The amendment would have provided that the Secretary of the Interior "(c) operate all facilities under his jurisdiction on the Colorado River and its tributaries in such a manner that all consumptive uses of water in the lower basin from the Colorado River System are accounted for as consumptive uses under the terms of the Colorado River Compact and the Boulder Canyon Project Act."

Unfortunately, the singleminded views of Arizona prevailed in the voting within the Interior Committee and this amendment was rejected.

Wyoming and the other Upper Basin States can only now look forward to litigation or negotiations at some future time to resolve this major disagreement. In the meantime, there appears to be no prudent course for us to follow in evaluating obligations on the available water supply except to assume the worst; namely, that the Upper Basin may have to deliver at Lee Ferry as much as 8¼ million acre-feet annually.

EXISTING LOWER BASIN USES

If we assume that the upper basin has the responsibility to deliver an average of 7½ million acre-feet at Lee Ferry annually, and recognizing further the disputed possibility that the Upper Basin may have to deliver as much as 8¼ million acre-feet annually, it will now behoove the Congress to examine some facts on Lower Basin consumptive uses from the main stream of the Colorado River at the present time. As used herein, "consumptive use" is defined as diversions less returns.

Undisputably conservative figures quoted in the 1964-65 report of the Colorado River Board of California show average annual consumptive use from the main stream in Lower Basin years 1961 through 1965 as follows:

	<i>Thousand acre-feet</i>
Arizona ¹ -----	976. 4
California ¹ -----	4, 989. 4
Nevada ¹ -----	24. 2
Mexico ² -----	1, 850. 4
Lake Mead evaporation ³ -----	800. 0
Computed net losses, Hoover Dam to Mexico ⁴ -----	988. 2
Total -----	9, 628. 6

¹ Colorado River Board of California Annual Report, 1964-65, table 4, averaged.

² Colorado River Board of California Annual Report, 1964-65, table 6, averaged.

³ USDI Pacific Southwest Water Plan Report, January 1964, table 12.

⁴ Colorado River Board of California Annual Report, 1964-65, table 5 averaged, with adjustments suggested in following text.

The foregoing clearly shows that even without the Central Arizona Project the Lower Basin is presently using more water from the main

stream than would be supplied to them under the 1922 Compact by the Upper Basin, when development therein is complete, and that this excess use at the present time from the main stream of the Colorado River may be as much as 2.1 million acre-feet annually. The Central Arizona Project as proposed in the legislation being considered by this committee would require an additional 1.2 to 2 million acre-feet and Nevada proposes to utilize 0.3 million acre-feet per year. Increased evaporation losses connected with this new additional development are assumed to be offset by the savings realized from the proposed channel improvement program. The combined total of all these ultimate demands upon the main stream in the Lower Basin is 11.1 million acre-feet per year, and even if we assume that California will cut back to her decreed allocation of 4.4 million acre-feet, the demand would still be 10.5 million acre-feet per year, or nearly 3 million acre-feet per year in excess of the 7.5 million acre-feet required to be delivered to the Lower Basin at Lee Ferry. Wyoming thinks it is both legally and morally wrong to authorize expensive Federal projects in the Lower Basin which depend on the availability of a greater portion of water than the Lower Basin entitlement.

DEPENDENCE ON UPPER BASIN WATER

The record of the House hearings concerning the Colorado River Basin project legislation during both sessions of the 89th Congress and also during the present session of the 90th Congress is replete with references to the effect that the water supply for the Central Arizona Project is dependent upon Upper Basin water which is presently in excess of Upper Basin needs. As the Upper Basin develops, the water supply in the Lower Basin will progressively diminish, and sometime within the next 30 years the surplus of water flowing from the Upper Basin to the Lower Basin will cease to exist, providing that nothing is done to thwart the normal development of the Upper Basin region.

PROPOSED PROJECTS WITHIN THE STATE OF COLORADO

The figures developed previously showing existing Lower Basin uses indicate clearly that demands for consumptive use of Colorado River water exceed existing supplies. Thus, increased use demands in the Lower Basin will only be met, if at all, by shifting existing shortages to another region. Water shortages will also plague the various States of the Upper Basin. Wyoming must be both fair and consistent in opposing any scheme which merely shifts known existing water shortages. An analysis of the water supply available for use under the terms of the Upper Colorado River Basin Compact of 1948 indicates that the State of Colorado may be in excess of her Compact apportionment of Colorado River water if all five of the projects proposed in S. 1004 are constructed. Therefore, Wyoming must take the position that construction of three of these Colorado projects should be deferred until the construction of importation works adequate to alleviate the water shortages of the entire Colorado River has been commenced.

Wyoming's analysis of the available water supply in the Upper Basin is set out fully on pages 409-411 of the Senate hearings on S. 1004,

dated May 2 through 5, 1967. In summary, the total depletions of Colorado River water within the State of Colorado are as follows:

	<i>Thousand acre-feet</i>
Present depletions -----	1,786
Depletions due to presently authorized Federal projects-----	140
Probable future depletions-----	346
Depletions due to the 5 projects proposed to be authorized by present legis- lation -----	378
Total Colorado depletions-----	2,650

Under the Upper Colorado River Basin Compact, Colorado's share of the Upper Basin apportionment amounts to 51.75 percent of the total amount which is available to the Upper Basin. Based on the 4.7 million acre-feet annually available for consumptive use in the Upper Basin as stated in the Tipton & Kalmbach study less the 50,000 acre-feet apportioned to Arizona from the Upper Basin entitlement, Colorado's share would be 51.75 percent of 4.65 million acre-feet, or only about 2.4 million acre-feet per year.

Comparing the previously stated estimates of total Colorado depletions of the Colorado River including the five proposed new projects in the State of Colorado, amounting to 2.65 million acre-feet per annum, with the figure of 2.4 million acre-feet to which Colorado would be entitled under the compact on the basis of the previously cited figures from the Tipton & Kalmbach report, it can be seen that Colorado would be exceeding her apportionment by about 250,000 acre-feet per year. Deferral of the Dallas Creek project, West Divide project, and San Miguel project would reduce this excess to about 50,000 acre-feet annually.

COLORADO RIVER LEGISLATION MUST BE REGIONAL IN SCOPE

The Minority views which I have signed on S. 1004 discusses in depth the undisputed water shortages facing the entire Colorado River region. That report emphasizes the need for the augmentation of water to meet these shortages.

In 1965, Secretary of the Interior Stewart Udall, testifying before the House Interior Committee in support of H.R. 4671, as introduced in the 89th Congress, was asked the following question by Congressman Wyatt of Oregon: "Has the Bureau or has the Department any opinion as to the inevitability of augmenting the Colorado water system from other water resources?"

Secretary Udall answered: "I think we have made the one major point: That when one looks 30, 40, 50 years ahead the entire region, the Upper Basin as well as the Lower Basin, will run into shortages and be in difficulty. Therefore, we think it is a major assumption that the prudent thing to do for the Nation, in terms of resource planning, is to look to augmentation, yes."

Congressman Wyatt then asked: "* * * I would like to ask you, in this connection, if the Bureau or if the Department has conducted any extensive studies on diverting the water from the Columbia River below the Bonneville Dam to the Southwest."

Secretary Udall answered: "Obviously, Congressman, we have not; we do not have any studies of any detail, otherwise we could present

more facts to you. But I think, just from the standpoint of a very quick, rough reconnaissance, basically what engineers and reclamation experts could gather from a study of the bare bones of the thing, it is obvious that—there are many things that are very desirable about diverting from the Columbia below Bonneville. No. 1—as distinguished from northern California, for example, because, although there are two or three fine smaller rivers in the northern California, they don't have the quantity which you have in the Columbia—you could take 2.5 million acre-feet, for example, which is about 1.5 percent of the total water of the Columbia. The Columbia is the great river of the West, it is the great river of the country in a way. Therefore, could you take that quantity, you could take 1, 2, 3 percent of the water out of the Columbia River estuary without doing harm to the other values that are present. This is the type of thing you could study and you could also study what benefits to the Northwest would be gained. I think the people in the Northwest might be surprised what you would come up with in terms of actual concrete benefits.” (Hearings on H.R. 4671 before the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs, House of Representatives, 89th Cong., first sess. (1965), pp. 135–137.)

When, in February of this year, Secretary Udall abandoned all attempts to find a regional solution to the water shortage problem of the Colorado River, the States of the Colorado River Basin, with the exception of the Secretary's home State of Arizona, were predictably shocked, angered, and dismayed. In recent years Wyoming has described and advocated five basic elements it considered essential for any Colorado River legislation. Not one of these elements is now included in S. 1004.

During the course of the executive session mark-up of S. 1004, I presented to the Senate Interior Committee an amendment in the nature of a substitute to S. 1004, amendment No. 213, on behalf of myself and my colleague from Wyoming, Senator McGee. This substitute bill would have provided for the five fundamental provisions which Wyoming has consistently recommended to the Congress. These provisions are as follows:

- (1) There should be authorized, concurrently with the Central Arizona Project, a project which will import into the Colorado River drainage or its service area, sufficient water to satisfy the Mexican Treaty burden. The cost of this importation project should be a nonreimbursable obligation of the United States.

- (2) In conjunction with the foregoing, there should be provision for an immediate reconnaissance study of all possible sources of augmentation of the water supply of the Colorado River system. The satisfaction of the Mexican Treaty burden would only partially solve the water supply problem of the Colorado River Basin, and the long-range need for further augmentation will still exist even after the first provision has been fulfilled.

- (3) As an integral part of any Colorado River Basin project authorization, there should be sufficient revenue-producing features to assure adequate financing of the augmentation measures needed to supplement the water supply in the drainage.

- (4) The authorization of the San Miguel project, West Divide project, and the Dallas Creek project in the State of Colorado

should be conditioned upon completion of the importation project to relieve the Colorado River Basin of the Mexican Treaty burden.

(5) If a priority to the consumptive use of 4.4 million acre-feet annually is granted to California by Arizona, it should be clearly stated that such priority involves only those two States and does not involve any granting of priority to California by the upper basin.

Unfortunately, this substitute was rejected by the Committee.

A further substitute, amendment No. 214, was also offered jointly by Senators Kuchel and Allott which would have provided some measure of assurance that regional solutions would be sought through augmentation programs. Since this substitute was far preferable from a regional point of view to the limited provisions of S. 1004, I supported it in committee. Unfortunately, it too was defeated.

CONCLUSION

In view of the mounting demands which will be made upon the inadequate water supplies of the Colorado River, Wyoming believes that the Congress now more than ever before must give full attention to the interstate compacts which it has previously ratified apportioning the water between the various states of the basin. The realities of the yield of this river and the obligations which have been placed upon it must no longer be ignored. In our view, it is unconscionable to propose to the Congress, as is done in S. 1004, that the interests of an entire region be made to suffer while singular benefits are brought to one State. This administration sponsored proposal reported out of the Senate Interior Committee rejects all of the years of work that have gone into achieving a realistic and responsible approach for a basinwide development program which would have treated with equity all of the States in the Colorado River Basin.

It is important that Wyoming's legal and moral position with respect to this much tortured river be made as clear as possible. It is also important to realize that Wyoming has no qualms about the correctness of her position. The Central Arizona Project bill as reported out by the Senate Interior Committee would place in jeopardy the future meaningful development of the entire Colorado River Basin. We denounce such irresponsible legislation and we urge the Congress and the Nation to do likewise.

CLIFFORD P. HANSEN.

INDIVIDUAL VIEWS OF MR. MOSS

I am constrained to offer my individual views on this measure because it does not provide a definite program of study for augmenting the flow of the Colorado River. Without such augmentation, Utah's legal share of the water from the river is not adequately protected.

The position of the State of Utah as enunciated by Gov. Calvin L. Rampton and supported by Utah's congressional delegation is dictated by history and you will find it consistent. S. 1409, which I introduced and which was before our committee, more nearly reflects the Utah position than any of the several versions of the Colorado River Basin project. This bill sets a constructive position of cooperation on a long-range interregional solution to the basic problem, which is a maldistribution of our water supply.

We have much in common with our sister State of Arizona and I have striven to direct the course of this legislation so that we could support her.

I am, of course, disappointed that the administration withdrew its support from the regional approach that Secretary Udall championed 2 years ago. Our apprehension in Utah stems from the fact that in the future when we need our water for our own uses, we may be standing alone in attempts to withdraw it from a going downstream economy for the establishment of new upstream developments. Therefore, I sought legislation with protective measures that will give some assurance that our future water resources development will not be jeopardized.

S. 1409, which is, in many respects, similar to Senator Kuchel's bill and Senator Allott's bill, does provide these safeguards. When the committee rejected all three of these bills, I attempted further to assure these safeguards by joining in a substitute bill. This too was rejected. Thus, it was clear that S. 1004 would be reported by the committee.

The Dixie project was authorized by the 88th Congress. Changes in the plan occasioned by the relocation of the major storage dam of the project placed the Dixie project in need of repayment assistance. At my request, the bill was amended in committee to integrate Utah's Dixie project into the development fund established for the Central Arizona Project. Thus my amendment will provide approximately \$30 million in assistance from the Lower Colorado River Basin development fund and will make possible the construction of the Dixie project.

Public Law 88-565, which authorized the Dixie project, provides that separable and joint costs allocated to recreation and fish and wildlife enhancement are nonreimbursable. Therefore it was not necessary to include such language in S. 1004. However, the committee reaffirms this position in the report to accompany the bill.

In addition, the measure provides for the completion of planning reports for the Uintah and Ute Indian projects.

Against this background and for these reasons, I voted to report the bill.

I should, however, make it clear that the legislation is lacking in important safeguards to the State of Utah. It will be my duty, therefore, to support an amendment to provide these safeguards when the measure comes before the Senate. It has always been my view that States must cooperate in sharing water on a regional basis—Arizona is entitled to an equitable amount of water from the Colorado River. I still offer to my friends in Arizona and elsewhere a constructive approach to the basic water problem of the Colorado. With a comprehensive and constructive approach, I assure you of the full and undivided support of Utah.

FRANK E. MOSS.



FILE COPY

Calendar No. 395

90TH CONGRESS
1ST SESSION

S. 1004

[Report No. 408]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 16, 1967

Mr. HAYDEN (for himself, Mr. FANNIN, Mr. CANNON, and Mr. JACKSON)
introduced the following bill; which was read twice and referred to the
Committee on Interior and Insular Affairs

JULY 26, 1967

Reported by Mr. HAYDEN, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To authorize the construction, operation, and maintenance of
the central Arizona project, Arizona-New Mexico, and for
other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. That this Act may be cited as the "Central
4 Arizona Project Act."

5 SEC. 2. (a) For the purposes of furnishing irrigation
6 water and municipal water supplies to the water deficient
7 areas of Arizona and western New Mexico through direct
8 diversion or exchange of water, generation of electric power
9 and energy, control of floods, conservation and development
10 of fish and wildlife resources, enhancement of recreation

1 opportunities, and for other purposes, the Secretary of the
2 Interior (hereinafter referred to as the "Secretary") shall
3 construct, operate, and maintain the central Arizona project,
4 consisting of the following principal works: (1) a system
5 of main conduits and canals, including a main canal and
6 pumping plants (Granite Reef aqueduct and pumping
7 plants), for diverting and carrying water from Lake Havasu
8 to Orme Dam or suitable alternative, which system shall
9 have a capacity of not less than three thousand cubic feet per
10 second; (2) Orme Dam and Reservoir and power pumping
11 plant or suitable alternative; (3) Buttes Dam and Reservoir,
12 which shall be so operated as to not prejudice the rights of
13 any user in and to the waters of the Gila River as those
14 rights are set forth in the decree entered by the United
15 States District Court for the District of Arizona on June 29,
16 1935, in United States against Gila Valley Irrigation Dis-
17 trict and others (Globe Equity Number 59); (4) Hooker
18 Dam and Reservoir which shall be constructed to an initial
19 capacity of ninety-eight thousand acre-feet and in such a
20 manner as to permit subsequent enlargement of the structure
21 (to give effect to the provisions of subsection (i) of this
22 section; (5) Charleston Dam and Reservoir; (6) Tucsón
23 aqueducts and pumping plants; (7) Salt-Gila aqueduct; (8)
24 canals, regulating facilities, hydroelectric powerplants, and

1 electrical transmission facilities; ~~(9)~~ related water distribu-
2 tion and drainage works; and ~~(10)~~ appurtenant works.

3 ~~(b)-(1)~~ The Secretary may enter into an agreement
4 with non-Federal interests proposing to construct a thermal
5 generating powerplant whereby the United States shall
6 acquire the right to such portion of the capacity of such
7 plant, including delivery of power and energy over ap-
8 purtenant transmission facilities to mutually agreed upon
9 delivery points, as he determines is required in connection
10 with the central Arizona project. Power and energy ac-
11 quired thereunder may be disposed of intermittently by
12 the Secretary when not required in connection with the
13 central Arizona project. The agreement shall provide, among
14 other things, that—

15 ~~(i)~~ The United States shall pay not more than
16 that portion of the total construction cost, exclusive of
17 interest during construction, of the powerplant, and of
18 any switchyards and transmission facilities serving
19 the United States, as is represented by the ratios of
20 the respective capacities to be provided for the United
21 States therein to the total capacities of such facilities.
22 The Secretary shall make the Federal portion of such
23 costs available to the non-Federal interests during the
24 construction period, including the period of prepara-

1 tion of designs and specifications, in such installments
2 as will facilitate a timely construction schedule;

3 ~~(ii)~~ Annual operation and maintenance costs, in-
4 cluding provision for depreciation (except as to depre-
5 ciation on the pro rata share of construction cost borne
6 by the United States in accordance with the foregoing
7 subdivision ~~(i)~~ shall be prorated between the United
8 States and the non-Federal interests on the basis of the
9 ratios determined in accordance with the foregoing sub-
10 division ~~(i)~~;

11 ~~(iii)~~ The United States shall be given appropriate
12 credit for any interests in Federal lands administered
13 by the Department of the Interior that are made avail-
14 able for the powerplant and appurtenances.

15 ~~(c)~~ Unless and until otherwise provided by Congress,
16 water from the central Arizona project shall not be made
17 available directly or indirectly for the irrigation of lands not
18 having a recent irrigation history as determined by the Sec-
19 retary, except in the case of Indian lands, national wildlife
20 refuges, and, with the approval of the Secretary, State-
21 administered wildlife management areas.

22 ~~(d)(1)~~ Irrigation and municipal and industrial water
23 supply under the central Arizona project within the State of
24 Arizona may, in the event the Secretary determines that it
25 is necessary to effect repayment, be pursuant to master con-

1 tracts with organizations which have power to levy assess-
2 ments against all taxable real property within their bound-
3 aries. The terms and conditions of contracts or other
4 arrangements whereby each such organization makes water
5 from the central Arizona project available to users within its
6 boundaries shall be subject to the Secretary's approval and
7 the United States shall, if the Secretary determines such
8 action is desirable to facilitate carrying out the provisions of
9 this Act, have the right to require that it be a party to such
10 contracts or that contracts subsidiary to the master contracts
11 be entered into between the United States and any user.
12 The provisions of this subparagraph (1) shall not apply to
13 the supplying of water to an Indian tribe for use within the
14 boundaries of an Indian reservation.

15 (2) Any obligation assumed pursuant to section 9(d)
16 of the Reclamation Project Act of 1939 (43 U.S.C. 485h
17 (d)) with respect to any project contract unit or irrigation
18 block shall be repaid over a basic period of not more than
19 fifty years; any water service provided pursuant to section
20 9(e) of the Reclamation Project Act of 1939 (43 U.S.C.
21 485h(e)) may be on the basis of delivery of water for a
22 period of fifty years and for the delivery of such water at an
23 identical price per acre-foot for water of the same class at
24 the several points of delivery from the main canals and
25 conduits and from such other points of delivery as the Secre-

1 tary may designate; and long-term contracts relating to irri-
2 gation water supply shall provide that water made available
3 thereunder may be made available by the Secretary for ma-
4 nicipal or industrial purposes if and to the extent that such
5 water is not required by the contractor for irrigation purposes.

6 ~~(3)~~ Contracts relating to municipal and industrial water
7 supply under the central Arizona project may be made with-
8 out regard to the limitations of the last sentence of section
9 ~~9(c)~~ of the Reclamation Project Act of 1939 ~~(43 U.S.C~~
10 ~~485h(c))~~; may provide for the delivery of such water at an
11 identical price per acre-foot for water of the same class at
12 the several points of delivery from the main canals and
13 conduits; and may provide for repayment over a period of
14 fifty years if made pursuant to clause ~~(1)~~ of said section and
15 for the delivery of water over a period of fifty years if made
16 pursuant to clause ~~(2)~~ thereof.

17 ~~(c)~~ Each contract under which water is provided under
18 the central Arizona project shall require that ~~(1)~~ there be
19 in effect measures, adequate in the judgment of the Secretary,
20 to control expansion of irrigation from aquifers affected by
21 irrigation in the contract service area; ~~(2)~~ the canals and
22 distribution systems through which water is conveyed after
23 its delivery by the United States to the contractors shall be
24 provided and maintained with linings, adequate in his judg-
25 ment to prevent excessive conveyance losses; ~~(3)~~ neither

1 the contractor nor the Secretary shall pump or permit others
2 to pump ground water from lands located within the exterior
3 boundaries of any Federal reclamation project or irrigation
4 district receiving water from the central Arizona project for
5 any use outside such Federal reclamation project or irrigation
6 district, unless the Secretary and the agency or organization
7 operating and maintaining such Federal reclamation project
8 or irrigation district shall agree or shall have previously
9 agreed that a surplus of ground water exists and that drain-
10 age is or was required; and ~~(4)~~ all agricultural, municipal
11 and industrial waste water, return flow, seepage, sewage
12 effluent, and ground water located in or flowing from con-
13 tractor's service area originating or resulting from ~~(i)~~ waters
14 contracted for from the central Arizona project or ~~(ii)~~
15 waters stored or developed by any Federal reclamation
16 project are reserved for the use and benefit of the United
17 States as a source of supply for the service area of the central
18 Arizona project or for the service area of the Federal ree-
19 lamation project, as the case may be: *Provided*, That not-
20 withstanding the provisions of clause ~~(3)~~ of this subsection,
21 the agricultural, municipal and industrial waste water, return
22 flow, seepage, sewage effluent, and ground water in or from
23 any such Federal reclamation project, may also be pumped
24 or diverted for use and delivery by the United States else-
25 where in the service area of the central Arizona project, if

1 not needed for use or reuse in such Federal reclamation
2 project.

3 (f) The Secretary may require in any contract under
4 which water is provided from the central Arizona project that
5 the contractor agree to accept main stream water in exchange
6 for or in replacement of existing supplies from sources other
7 than the main stream. The Secretary shall so require in the
8 case of users in Arizona who also use water from the Gila
9 River system, to the extent necessary to make available to
10 users of water from the Gila River system in New Mexico
11 additional quantities of water as provided in and under the
12 conditions specified in subsection (i) of this section: *Pro-*
13 *vided,* That such exchanges and replacements shall be accom-
14 plished without economic injury or cost to such Arizona
15 contractors.

16 (g) In times of shortage or reduction of main stream
17 Colorado River water for the central Arizona project, as
18 determined by the Secretary, users which have yielded water
19 from other sources in exchange for main stream water sup-
20 plied by that project shall have a first priority to receive main
21 stream water, as against other users supplied by that unit
22 which have not so yielded water from other sources, but only
23 in quantities adequate to replace the water so yielded.

24 (h) In the operation of the central Arizona project,
25 the Secretary shall offer to contract with water users in

1 New Mexico for water from the Gila River, its tributaries
2 and underground water sources, in amounts that will permit
3 consumptive use of water in New Mexico not to exceed an
4 annual average in any period of ten consecutive years of
5 eighteen thousand acre-feet, including reservoir evaporation,
6 over and above the consumptive uses provided for by article
7 IV of the decree of the Supreme Court of the United States
8 in Arizona against California (376 U.S. 340). Such in-
9 creased consumptive uses shall not begin until and shall
10 continue only so long as delivery of Colorado River water
11 to downstream Gila River users in Arizona is being accom-
12 plished in accordance with this Act, in quantities sufficient
13 to replace any diminution of their supply resulting from such
14 diversions from the Gila River, its tributaries and under-
15 ground water sources. In determining the amount required
16 for this purpose full consideration shall be given to any
17 differences in the quality of the waters involved. All addi-
18 tional consumptive uses provided for in this subsection shall
19 be subject to all rights in New Mexico and Arizona as estab-
20 lished by the decree entered by the United States District
21 Court for the District of Arizona on June 29, 1935, in
22 United States against Gila Valley Irrigation District and
23 others (Globe Equity Numbered 59) and to all other rights
24 existing on the effective date of this Act in New Mexico and

1 Arizona to water from the Gila River, its tributaries and
2 underground water sources, and shall be junior thereto and
3 shall be made only to the extent possible without economic
4 injury or cost to the holders of such rights.

5 SEC. 3. The conservation and development of the fish
6 and wildlife resources and the enhancement of recreation
7 opportunities in connection with the central Arizona project
8 works authorized pursuant to this Act shall be in accordance
9 with the provisions of the Federal Water Project Recreation
10 Act (79 Stat. 213).

11 SEC. 4. The Secretary shall determine the repayment
12 capability of Indian lands within, under, or served by the
13 central Arizona project. Construction costs allocated to
14 irrigation of Indian lands (including provision of water for
15 incidental domestic and stock water uses) and within the
16 repayment capability of such lands shall be subject to the
17 Act of July 1, 1932 (47 Stat. 464), and such costs as are
18 beyond repayment capability of such lands shall be nonreim-
19 bursable.

20 SEC. 5. The interest rate applicable to those portions of
21 the reimbursable costs of the central Arizona project which
22 are properly allocated to commercial power development and
23 municipal and industrial water supply shall be determined by
24 the Secretary of the Treasury, as of the beginning of the
25 fiscal year in which the first advance is made for initiating

1 construction of such project, on the basis of the computed
2 average interest rate payable by the Treasury upon its out-
3 standing marketable public obligations which are neither
4 due nor callable for redemption for fifteen years from the
5 date of issue.

6 SEC. 6. The Secretary may undertake programs for
7 water salvage along and adjacent to the main stream of the
8 Colorado River and for ground water recovery. Such pro-
9 grams shall be consistent with maintenance of a reasonable
10 degree of undisturbed habitat for fish and wildlife in the
11 area, as determined by the Secretary.

12 SEC. 7. The Upper Colorado River Basin fund estab-
13 lished under section 5 of the Act of April 11, 1956 (70 Stat.
14 107), shall be reimbursed from the Colorado River develop-
15 ment fund established by section 2 of the Boulder Canyon
16 Project Adjustment Act (54 Stat. 755), for all expenditures
17 heretofore or hereafter made from the Upper Colorado River
18 Basin fund to meet deficiencies in generation at Hoover Dam
19 during the filling period of reservoirs of storage units of the
20 Colorado River storage project pursuant to the criteria for
21 the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851,
22 July 19, 1962). For this purpose \$500,000 for each year
23 of operation of Hoover Dam and powerplant, commencing
24 with the enactment of this Act, shall be transferred from
25 the Colorado River development fund to the Upper Colorado

1 River Basin fund, in lieu of application of said amounts to
2 the purposes stated in section 2(d) of the Boulder Canyon
3 Project Adjustment Act, until such reimbursement is accom-
4 plished. To the extent that any deficiency in such reim-
5 bursement remains as of June 1, 1937, the amount of
6 the remaining deficiency shall then be transferred to
7 the Upper Colorado River Basin fund from net revenues
8 derived from the sale of electric energy generated at Hoover
9 Dam.

10 SEC. 8. Nothing in this Act shall be construed to alter,
11 amend, repeal, modify, or be in conflict with the provisions of
12 the Colorado River Compact (45 Stat. 1057), the Upper
13 Colorado River Basin compact (63 Stat. 31), the water
14 treaty of 1944 with the United Mexican States (Treaty
15 Series 994), the decree entered by the Supreme Court of the
16 United States in Arizona against California, and others (376
17 U.S. 340), or, except as otherwise provided herein, the
18 Boulder Canyon Project Act (45 Stat. 1057), the Boulder
19 Canyon Project Adjustment Act (54 Stat. 774) or the Colo-
20 rado River River Storage Project Act (70 Stat. 105).

21 SEC. 9. The Secretary is directed to—

22 (a) make reports as to the annual consumptive
23 uses and losses of water from the Colorado River system

1 after each successive five-year period, beginning with
2 the five-year period starting on October 1, 1965. Such
3 reports shall be prepared in consultation with the States
4 of the lower basin individually and with the Upper Colo-
5 rado River Commission, and shall be transmitted to the
6 President, the Congress, and to the Governors of each
7 State signatory to the Colorado River compact;

8 (b) condition all contracts for the delivery of water
9 originating in the drainage basin of the Colorado River
10 system upon the availability of water under the Colorado
11 River compact.

12 SEC. 10. (a) The Secretary shall propose criteria for
13 the coordinated long-range operation of the reservoirs con-
14 structed and operated under the authority of the Colorado
15 River Storage Project Act and the Boulder Canyon Project
16 Act, consistent with the provisions of those statutes, the
17 Boulder Canyon Project Adjustment Act, the Colorado River
18 compact, the Upper Colorado River compact and the Mexi-
19 can Water Treaty. To effect in part the purposes expressed
20 in this paragraph, the criteria shall make provision for the
21 storage of water in storage units of the Colorado River stor-
22 age project and releases of water from Lake Powell in the
23 following listed order of priority:

1 ~~(1)~~ Releases to supply one-half the deficiency described
2 in article III(c) of the Colorado River compact, if any such
3 deficiency exists and is chargeable to the States of the upper
4 division.

5 ~~(2)~~ Releases to comply with article III(d) of the Colo-
6 rado River compact.

7 ~~(3)~~ Storage of water not required for the releases speci-
8 fied in clauses ~~(1)~~ and ~~(2)~~ of this subsection to the extent
9 that the Secretary, after consultation with the Upper Colo-
10 rado River Commission and representatives of the three low-
11 er division States and taking into consideration all relevant
12 factors (including, but not limited to, historic streamflows;
13 the most critical period of record, and probabilities of water
14 supply), shall find to be reasonably necessary to assure de-
15 liveries under clauses ~~(1)~~ and ~~(2)~~ without impairment of
16 annual consumptive uses in the upper basin pursuant to the
17 Colorado River compact: *Provided*, That water not so re-
18 quired to be stored shall be released from Lake Powell: (i)
19 to the extent it can be reasonably applied in the States of the
20 lower division to the uses specified in article III(c) of the
21 Colorado River compact, but no such releases shall be made
22 when the active storage in Lake Powell is less than the
23 active storage in Lake Mead, (ii) to maintain, as nearly as
24 practicable, active storage in Lake Mead equal to the active

1 storage in Lake Powell, and ~~(iii)~~ to avoid anticipated spills
2 from Lake Powell.

3 ~~(b)~~ Not later than July 1, 1968, the criteria proposed
4 in accordance with the foregoing subsection ~~(a)~~ of this
5 section shall be submitted to the Governors of the seven
6 Colorado River Basin States and to such other parties and
7 agencies as the Secretary may deem appropriate for their
8 review and comment. After receipt of comments on the
9 proposed criteria, but not later than January 1, 1969, the
10 Secretary shall adopt appropriate criteria in accordance
11 with this section and publish the same in the Federal
12 Register. Beginning January 1, 1970, and yearly there-
13 after, the Secretary shall transmit to the Congress and to
14 the Governors of the Colorado River Basin States a report
15 describing the actual operation under the adopted criteria
16 for the preceding compact water year and the projected
17 operation for the current year. As a result of actual oper-
18 ating experience or unforeseen circumstances, the Secre-
19 tary may thereafter modify the criteria to better achieve
20 the purposes specified in subsection ~~(a)~~ of this section, but
21 only after correspondence with the Governors of the seven
22 Colorado River Basin States and appropriate consultation
23 with such State representatives as each Governor may
24 designate.

1 ~~(c)~~ Section 7 of the Colorado River Storage Project
 2 Act shall be administered in accordance with the foregoing
 3 criteria.

4 SEC. 11. ~~(a)~~ Rights of the upper basin to the con-
 5 sumptive use of water apportioned to that basin from the
 6 Colorado River system by the Colorado River compact
 7 shall not be reduced or prejudiced by any use of such water
 8 in the lower basin.

9 ~~(b)~~ Nothing in this Act shall be construed so as to
 10 impair, conflict with, or otherwise change the duties and
 11 powers of the Upper Colorado River Commission.

12 SEC. 12. Except as otherwise provided in this Act,
 13 in constructing, operating, and maintaining the central
 14 Arizona project, the Secretary shall be governed by the
 15 Federal reclamation laws ~~(Act of June 17, 1902; 32 Stat.~~
 16 ~~388 and Acts amendatory thereof or supplementary thereto)~~
 17 to which laws this Act shall be deemed a supplement.

18 SEC. 13. ~~(a)~~ All terms used in this Act which are
 19 defined in the Colorado River compact shall have the mean-
 20 ings there defined.

21 ~~(b)~~ "Main stream" means the main stream of the Colo-
 22 rado River downstream from Lee Ferry within the United
 23 States, including the reservoirs thereon.

24 ~~(c)~~ "User" or "water user" in relation to main stream
 25 water in the lower basin means the United States, or any

1 person or legal entity, entitled under the decree of the Su-
 2 preme Court of the United States in Arizona against Cali-
 3 fornia, and others (376 U.S. 340), to use main stream
 4 water when available thereunder.

5 (d) "Active storage" means that amount of water in
 6 reservoir storage, exclusive of bank storage, which can be
 7 released through the existing reservoir outlet works.

8 (e) "Colorado River Basin States" means the States of
 9 Arizona, California, Colorado, Nevada, New Mexico, Utah,
 10 and Wyoming.

11 SEC. 14. There is hereby authorized to be appropriated,
 12 out of any moneys in the Treasury not otherwise appropri-
 13 ated, such sums as may be required to carry out the purposes
 14 of this Act.

15 SECTION 1. That this Act may be cited as the "Central
 16 Arizona Project Act".

17 SEC. 2. (a) For the purposes of furnishing irrigation
 18 water and municipal water supplies to the water-deficient
 19 areas of Arizona and western New Mexico through direct
 20 diversion or exchange of water, generation of electric power
 21 and energy, control of floods, conservation and development
 22 of fish and wildlife resources, enhancement of recreation
 23 opportunities, and for other purposes, the Secretary of the
 24 Interior (hereinafter referred to as the "Secretary") shall

1 *construct, operate, and maintain the Central Arizona Project,*
2 *consisting of the following principal works: (1) a system*
3 *of main conduits and canals, including a main canal and*
4 *pumping plants (Granite Reef aqueduct and pumping*
5 *plants), for diverting and carrying water from Lake Havasu*
6 *to Orme Dam or suitable alternative, which system shall*
7 *have a capacity of not less than three thousand cubic feet per*
8 *second; (2) Orme Dam and Reservoir and power-pumping*
9 *plant or suitable alternative; (3) Buttes Dam and Reservoir,*
10 *which shall be so operated as to not prejudice the rights of*
11 *any user in and to the waters of the Gila River as those*
12 *rights are set forth in the decree entered by the United*
13 *States District Court for the District of Arizona on June 29,*
14 *1935, in United States against Gila Valley Irrigation Dis-*
15 *trict and others (Globe Equity Numbered 59); (4) Hooker*
16 *Dam and Reservoir, which shall be constructed in such a*
17 *manner as to give effect to the provisions of subsections (f),*
18 *(g), and (h) of this section; (5) Charleston Dam and Res-*
19 *ervoir; (6) Tucson aqueducts and pumping plants; (7) Salt-*
20 *Gila aqueduct; (8) canals, regulating facilities, hydroelectric*
21 *powerplants, and electrical transmission facilities; (9) re-*
22 *lated water distribution and drainage works; and (10) ap-*
23 *purtenant works: Provided, That for a period of 27 years*
24 *from the effective date of this Act, in any year in which, as*
25 *determined by the Secretary, there will be insufficient main*

1 *stream Colorado River water to satisfy the consumptive uses*
2 *of two million eight hundred thousand, four million four*
3 *hundred thousand, and three hundred thousand acre-feet in*
4 *Arizona, California, and Nevada, respectively, diversions*
5 *for the said purposes of the Central Arizona Project shall be*
6 *so limited as to assure the availability of water in quantities*
7 *sufficient to provide for the aggregate annual consumptive*
8 *use of four million four hundred thousand acre-feet in the*
9 *State of California. Except as to the terms and provisions*
10 *of this priority, the rights of Arizona under the decision in*
11 *Arizona against California (373 U.S. 546) are not affected,*
12 *abridged, or impaired. The terms "consumptive use" and*
13 *"main stream" as used in this Act shall have the meanings*
14 *assigned to those terms in the decree in Arizona against Cali-*
15 *fornia, dated March 9, 1964 (376 U.S. 340).*

16 *(b)(1) The Secretary may enter into an agreement*
17 *with non-Federal interests proposing to construct a thermal*
18 *generating powerplant whereby the United States shall*
19 *acquire the right to such portion of the capacity of such*
20 *plant, including delivery of power and energy over ap-*
21 *purtenant transmission facilities to mutually agreed upon*
22 *delivery points, as he determines is required in connection*
23 *with the Central Arizona Project. Power and energy ac-*
24 *quired thereunder may be disposed of intermittently by*
25 *the Secretary when not required in connection with the*

1 *Central Arizona Project. The agreement shall provide,*
2 *among other things, that—*

3 *(i) The United States shall pay not more*
4 *than that portion of the total construction cost, exclu-*
5 *sive of interest during construction, of the powerplant,*
6 *and of any switchyards and transmission facilities serv-*
7 *ing the United States, as is represented by the ratios*
8 *of the respective capacities to be provided for the United*
9 *States therein to the total capacities of such facilities.*
10 *The Secretary shall make the Federal portion of such*
11 *costs available to the non-Federal interests during the*
12 *construction period, including the period of prepara-*
13 *tion of designs and specifications, in such installments*
14 *as will facilitate a timely construction schedule, but no*
15 *funds other than for preconstruction activities shall be*
16 *made available by the Secretary until he determines*
17 *that adequate contractual arrangements are in effect*
18 *covering water and fuel supplies for the thermal generat-*
19 *ing powerplant;*

20 *(ii) Annual operation and maintenance costs, in-*
21 *cluding provisions for depreciation (except as to depre-*
22 *ciation on the pro rata share of construction cost borne*
23 *by the United States in accordance with the foregoing*
24 *subdivision (i)) shall be apportioned between the United*
25 *States and the non-Federal interests on an equitable*

1 basis taking into account the ratios determined in accord-
2 ance with the foregoing subdivision (i);

3 (iii) The United States shall be given appropriate
4 credit for any interests in Federal lands administered
5 by the Department of the Interior that are made avail-
6 able for the powerplant and appurtenances;

7 (iv) Costs to be borne by the United States under
8 subdivisions (i) and (ii) shall not include (a) interest
9 and interest during construction, (b) financing charges,
10 (c) franchise fees, and (d) such other costs as shall be
11 specified in the agreement.

12 (2) The thermal generating plant referred to in sub-
13 paragraph (1) of this subsection shall be located in Arizona,
14 and if it is served by water diverted from the drainage area
15 of the Colorado River system above Lee Ferry, consumptive
16 use of water in connection therewith shall be charged against
17 the apportionment to Arizona made by article III(a) of
18 the Upper Colorado River Basin Compact (63 Stat. 31)
19 and such use shall not increase Arizona's entitlement to con-
20 sumptive use under said compact.

21 (c) Unless and until otherwise provided by Congress,
22 water from the Central Arizona Project shall not be made
23 available directly or indirectly for the irrigation of lands not
24 having a recent irrigation history as determined by the Sec-

1 retary, except in the case of Indian lands, national wildlife
2 refuges, and, with the approval of the Secretary, State-
3 administered wildlife management areas.

4 (d)(1) Irrigation and municipal and industrial water
5 supply under the Central Arizona Project within the State of
6 Arizona may, in the event the Secretary determines that it
7 is necessary to effect repayment, be pursuant to master con-
8 tracts with organizations which have power to levy assess-
9 ments against all taxable real property within their bound-
10 aries. The terms and conditions of contracts or other
11 arrangements whereby each such organization makes water
12 from the Central Arizona Project available to users within its
13 boundaries shall be subject to the Secretary's approval and
14 the United States shall, if the Secretary determines such
15 action is desirable to facilitate carrying out the provisions of
16 this Act, have the right to require that it be a party to such
17 contracts or that contracts subsidiary to the master contracts
18 be entered into between the United States and any user.
19 The provisions of this subparagraph (1) shall not apply to
20 the supplying of water to an Indian tribe for use within the
21 boundaries of an Indian reservation.

22 (2) Any obligation assumed pursuant to section 9(d)
23 of the Reclamation Project Act of 1939 (43 U.S.C. 485h
24 (d)) with respect to any project contract unit or irrigation
25 block shall be repaid over a basic period of not more than

1 *fifty years; any water service provided pursuant to section*
2 *9(e) of the Reclamation Project Act of 1939 (43 U.S.C.*
3 *485h(e)) may be on the basis of delivery of water for a*
4 *period of fifty years and for the delivery of such water at an*
5 *identical price per acre-foot for water of the same class at*
6 *the several points of delivery from the main canals and*
7 *conduits and from such other points of delivery as the Secre-*
8 *tary may designate; and long-term contracts relating to irri-*
9 *gation water supply shall provide that water made available*
10 *thereunder may be made available by the Secretary for mu-*
11 *nicipal or industrial purposes if and to the extent that such*
12 *water is not required by the contractor for irrigation purposes.*

13 *(3) Contracts relating to municipal and industrial water*
14 *supply under the Central Arizona Project may be made with-*
15 *out regard to the limitations of the last sentence of section*
16 *9(c) of the Reclamation Project Act of 1939 (43 U.S.C.*
17 *485h(c)); may provide for the delivery of such water at an*
18 *identical price per acre-foot for water of the same class at*
19 *the several points of delivery from the main canals and*
20 *conduits; and may provide for repayment over a period of*
21 *fifty years if made pursuant to clause (1) of said section and*
22 *for the delivery of water over a period of fifty years if made*
23 *pursuant to clause (2) thereof.*

24 *(e) Each contract under which water is provided under*
25 *the Central Arizona Project shall require that (1) there be*

1 in effect measures, adequate in the judgment of the Secretary,
2 to control expansion of irrigation from aquifers affected by
3 irrigation in the contract service area; (2) the canals and
4 distribution systems through which water is conveyed after
5 its delivery by the United States to the contractors shall be
6 provided and maintained with linings, adequate in his judg-
7 ment to prevent excessive conveyance losses; and (3)
8 neither the contractor nor the Secretary shall pump or per-
9 mit others to pump ground water from within the exterior
10 boundaries of the service area of a contractor receiving water
11 from the Central Arizona Project for any use outside said
12 contractor's service area unless the Secretary and such con-
13 tractor shall agree, or shall have previously agreed, that a
14 surplus of ground water exists and that drainage is or was re-
15 quired. Such contracts shall be subordinate at all times to the
16 satisfaction of all existing contracts between the Secretary
17 and users in Arizona heretofore made pursuant to the Boulder
18 Canyon Project Act (45 Stat. 1057).

19 (f) The Secretary may require in any contract under
20 which water is provided from the Central Arizona Project that
21 the contractor agree to accept main stream water in exchange
22 for or in replacement of existing supplies from sources other
23 than the main stream. The Secretary shall so require in the
24 case of users in Arizona who also use water from the Gila.
25 River system, to the extent necessary to make available to

1 users of water from the Gila River system in New Mexico
2 additional quantities of water as provided in and under the
3 conditions specified in subsection (h) of this section: Pro-
4 vided, That such exchanges and replacements shall be ac-
5 complished without economic injury or cost to such Arizona
6 contractors.

7 (g) In times of shortage or reduction of main stream
8 Colorado River water for the Central Arizona Project, as
9 determined by the Secretary, users which have yielded water
10 from other sources in exchange for main stream water sup-
11 plied by that project shall have a first priority to receive main
12 stream water, as against other users supplied by that project
13 which have not so yielded water from other sources, but only
14 in quantities adequate to replace the water so yielded.

15 (h) In the operation of the Central Arizona Project,
16 the Secretary shall offer to contract with water users in
17 New Mexico for water from the Gila River, its tributaries
18 and underground water sources, in amounts that will permit
19 consumptive use of water in New Mexico not to exceed an
20 annual average in any period of ten consecutive years of
21 eighteen thousand acre-feet, including reservoir evaporation,
22 over and above the consumptive uses provided for by article
23 IV of the decree of the Supreme Court of the United States
24 in Arizona against California (376 U.S. 340). Such in-
25 creased consumptive uses shall not begin until and shall

1 continue only so long as delivery of Colorado River water
2 to downstream Gila River users in Arizona is being accom-
3 plished in accordance with this Act, in quantities sufficient
4 to replace any diminution of their supply resulting from such
5 diversions from the Gila River, its tributaries and under-
6 ground water sources. In determining the amount required
7 for this purpose full consideration shall be given to any
8 differences in the quality of the waters involved. All addi-
9 tional consumptive uses provided for in this subsection shall
10 be subject to all rights in New Mexico and Arizona as estab-
11 lished by the decree entered by the United States District
12 Court for the District of Arizona on June 29, 1935, in
13 United States against Gila Valley Irrigation District and
14 others (Globe Equity Numbered 59) and to all other rights
15 existing on the effective date of this Act in New Mexico and
16 Arizona to water from the Gila River, its tributaries and
17 underground water sources, and shall be junior thereto and
18 shall be made only to the extent possible without economic
19 injury or cost to the holders of such rights.

20 (i) For a period of ten years from the date of enact-
21 ment of this Act, no water from the projects authorized by
22 this Act shall be delivered to any water user for the pro-
23 duction on newly irrigated lands of any basic agricultural
24 commodity, as defined in the Agricultural Act of 1949,
25 or any amendment thereof, if the total supply of such com-

1 *modity for the marketing year in which the bulk of the crop*
2 *would normally be marketed is in excess of the normal supply*
3 *as defined in section 301(b)(10) of the Agricultural Adjust-*
4 *ment Act of 1938, as amended, unless the Secretary of*
5 *Agriculture calls for an increase in production of such*
6 *commodity in the interest of national security.*

7 *(j) The Secretary shall integrate the Dixie project, here-*
8 *tofore authorized, into the repayment arrangement and par-*
9 *ticipation in the Development Fund established by section 5*
10 *of this Act consistent with the provisions of this Act.*

11 *SEC. 3. The conservation and development of the fish*
12 *and wildlife resources and the enhancement of recreation*
13 *opportunities in connection with the Central Arizona Project*
14 *works authorized pursuant to this Act shall be in accordance*
15 *with the provisions of the Federal Water Project Recreation*
16 *Act (79 Stat. 213).*

17 *SEC. 4. The Secretary shall determine the repayment*
18 *capability of Indian lands within, under, or served by the*
19 *Central Arizona Project. Construction costs allocated to*
20 *irrigation of Indian lands (including provision of water for*
21 *incidental domestic and stock water uses) and within the*
22 *repayment capability of such lands shall be subject to the*
23 *Act of July 1, 1932 (47 Stat. 464), and such costs as are*
24 *beyond repayment capability of such lands shall be nonreim-*
25 *bursable.*

1 *SEC. 5. (a) There is hereby established a separate fund*
2 *in the Treasury of the United States, to be known as the*
3 *Lower Colorado River Basin Development Fund (hereafter*
4 *called the "Development Fund"), which shall remain avail-*
5 *able until expended as hereafter provided, for carrying out*
6 *the provisions of section 2 of this Act, and to be expended*
7 *or applied in connection with water conservation and de-*
8 *velopment for the Lower Colorado River Basin as may here-*
9 *after be prescribed by the Congress.*

10 *(b) All appropriations made for the purpose of carry-*
11 *ing out the aforesaid provisions of section 2, and such proj-*
12 *ects as are hereafter authorized by the Congress for water*
13 *conservation and development for the Lower Colorado River*
14 *Basin, shall be credited to the Development Fund as advances*
15 *from the general fund of the Treasury and shall be available*
16 *for such purposes.*

17 *(c) There shall also be credited to the Development*
18 *Fund—*

19 *(1) All revenues collected in connection with the*
20 *operation of the works and facilities authorized pursuant*
21 *to section 2 and hereafter authorized in furtherance of*
22 *the purposes of this Act (except entrance, admission,*
23 *and other recreation fees or charges and proceeds received*
24 *from recreation concessionaires); and*

25 *(2) All Federal revenues from the Boulder Canyon*

1 *and Parker-Davis projects which, after completion of*
2 *repayment requirements of the said Boulder Canyon*
3 *and Parker-Davis projects, are surplus, as determined*
4 *by the Secretary, to the operation, maintenance, and*
5 *replacement requirements of those projects: Provided,*
6 *however, That the Secretary is authorized and directed*
7 *to continue the in-lieu-of-taxes payments to the States*
8 *of Arizona and Nevada provided for in section 2(c)*
9 *of the Boulder Canyon Project Adjustment Act so long*
10 *as revenues accrue from the operation of the Boulder*
11 *Canyon Project.*

12 *(3) All Federal revenues from the portion of the*
13 *Pacific Northwest-Pacific Southwest intertie, located in*
14 *the States of Nevada and Arizona which, after comple-*
15 *tion of repayment requirements of the said part of the*
16 *Pacific Northwest-Pacific Southwest intertie located in*
17 *the States of Nevada and Arizona, are surplus, as*
18 *determined by the Secretary, to the operation, mainte-*
19 *nance, and replacement requirements of said portion of*
20 *the Pacific Northwest-Pacific Southwest intertie and re-*
21 *lated facilities.*

22 *(d) All revenues collected and credited to the develop-*
23 *ment fund pursuant to this Act shall be available, without*
24 *further appropriation, for—*

25 *(1) defraying the costs of operation, maintenance,*

1 *and replacements of, and emergency expenditures for,*
2 *all facilities of the project within such separate limita-*
3 *tions as may be included in annual appropriation Acts;*

4 *(2) payments, if any, as required by section 8 of*
5 *this Act;*

6 *(3) payments as required by subsection (f) of this*
7 *section; and*

8 *(4) payments to reimburse water users in the State*
9 *of Arizona for losses sustained as a result of diminution*
10 *of the production of hydroelectric power at Coolidge*
11 *Dam, Arizona, resulting from exchanges of water be-*
12 *tween users in the States of Arizona and New Mexico as*
13 *set forth in section 2 of this Act.*

14 *(e) Revenues credited to the Development Fund shall*
15 *not be available for construction of the works authorized*
16 *pursuant to section 2 of this Act except on appropriation by*
17 *the Congress.*

18 *(f) Revenues in the Development Fund in excess of the*
19 *amount necessary to meet the requirements of clauses (1),*
20 *(2), and (4) of section (d) of this section shall be paid*
21 *annually to the general fund of the Treasury to return—*

22 *(1) the costs of the project or separable feature*
23 *thereof, authorized pursuant to section 2 of this Act*
24 *which are allocated to irrigation, commercial power, or*
25 *municipal and industrial water supply, pursuant to*

1 *this Act, within a period not exceeding fifty years from*
2 *the date of completion of each such unit or separable*
3 *feature, exclusive of any development period authorized*
4 *by law; and*

5 *(2) interest (including interest during construction)*
6 *on the unamortized balance of the investment in the com-*
7 *mercial power and municipal and industrial water sup-*
8 *ply features of the project at a rate determined by the*
9 *Secretary of the Treasury in accordance with the pro-*
10 *visions of subsection (g) of this section, and interest*
11 *due shall be a first charge.*

12 *(g) The interest rate applicable to those portions of the*
13 *reimbursable costs of the Central Arizona Project which are*
14 *properly allocated to commercial power development and*
15 *municipal and industrial water supply shall be determined*
16 *by the Secretary of the Treasury, as of the beginning of*
17 *the fiscal year in which the first advance is made for initiat-*
18 *ing construction of such project, on the basis of the computed*
19 *average interest rate payable by the Treasury upon its out-*
20 *standing marketable public obligations which are neither*
21 *due nor callable for redemption for fifteen years from the*
22 *date of issue.*

23 *(h) Business-type budgets shall be submitted to the*
24 *Congress annually for all operations financed by the develop-*
25 *ment fund.*

1 *SEC. 6. The Secretary may undertake programs for*
2 *water salvage along and adjacent to the main stream of the*
3 *Colorado River and for ground water recovery. Such pro-*
4 *grams shall be consistent with maintenance of a reasonable*
5 *degree of undisturbed habitat for fish and wildlife in the*
6 *area, as determined by the Secretary.*

7 *SEC. 7. (a) In order to provide for the construction,*
8 *operation, and maintenance of the Animas-La Plata Federal*
9 *reclamation project, Colorado-New Mexico; the Dolores,*
10 *Dallas Creek, West Divide, and San Miguel Federal recla-*
11 *mation projects, Colorado, as participating projects under the*
12 *Colorado River Storage Project Act (70 Stat. 105; 43*
13 *U.S.C. 620), and to provide for the completion of planning*
14 *reports on other participating projects, subsection (2) of sec-*
15 *tion 1 of said Act is hereby further amended by deleting the*
16 *words "Pine River extension", and inserting in lieu thereof*
17 *the words "Animas-La Plata, Dolores, Dallas Creek, West*
18 *Divide, San Miguel". Section 2 of said Act is hereby fur-*
19 *ther amended by deleting the words "Parshall, Troublesome,*
20 *Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East*
21 *River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers ex-*
22 *tension, Animas-La Plata", and inserting after the words*
23 *"Yellow Jacket" the words "Basalt, Middle Park (includ-*
24 *ing the Troublesome, Rabbit Ear, and Azure units), Upper*
25 *Gunnison (including the East River, Ohio Creek, and Tomi-*

1 *chi Creek units), Lower Yampa (including the Juniper and*
 2 *Great Northern units), Upper Yampa (including the Hay-*
 3 *den Mesa, Wessels, and Toponas units)", and by inserting*
 4 *after the word "Sublette" the words "(including the Kendall*
 5 *Reservoir on Green River and a diversion of water from the*
 6 *Green River to the North Platte River Basin in Wyoming),*
 7 *Uintah unit and Ute Indian unit of the central Utah, San*
 8 *Juan County (Utah), Price River, Grand County (Utah),*
 9 *Ute Indian unit extension of the central Utah, Gray Canyon,*
 10 *and Juniper (Utah)". The amount which section 12 of said*
 11 *Act authorizes to be appropriated is hereby further increased*
 12 *by the sum of \$360,000,000 plus or minus such amounts, if*
 13 *any, as may be required, by reason of changes in construc-*
 14 *tion costs as indicated by engineering cost indexes applicable*
 15 *to the type of construction involved. This additional sum shall*
 16 *be available solely for the construction of the projects herein*
 17 *authorized.*

18 *(b) The Animas-La Plata Federal reclamation project*
 19 *shall be constructed and operated in substantial accordance*
 20 *with the engineering plans set out in the report of the Secre-*
 21 *tary transmitted to the Congress on May 4, 1966, and*
 22 *printed as House Document 436, Eighty-ninth Congress:*
 23 *Provided, That the project construction of the Animas-La*
 24 *Plata Federal reclamation project shall not be undertaken*

1 *until and unless the States of Colorado and New Mexico*
 2 *shall have ratified the following compact to which the consent*
 3 *of Congress is hereby given:*

4 “ANIMAS-LA PLATA PROJECT COMPACT

5 “The State of Colorado and the State of New Mexico,
 6 *in order to implement the operation of the Animas-La Plata*
 7 *Federal Reclamation Project, Colorado-New Mexico, a pro-*
 8 *posed participating project under the Colorado River Stor-*
 9 *age Project Act (70 Stat. 105), and being moved by consid-*
 10 *erations of interstate comity, have resolved to conclude a*
 11 *compact for these purposes and have agreed upon the follow-*
 12 *ing articles:*

13 “ARTICLE I

14 “A. *The right to store and divert water in Colorado and*
 15 *New Mexico from the La Plata and Animas River systems,*
 16 *including return flow to the La Plata River from Animas*
 17 *River diversions, for uses in New Mexico under the Animas-*
 18 *La Plata Federal Reclamation Project shall be valid and of*
 19 *equal priority with those rights granted by decree of the*
 20 *Colorado state courts for the uses of water in Colorado for*
 21 *that project, providing such uses in New Mexico are within*
 22 *the allocation of water made to that state by articles III and*
 23 *XIV of the Upper Colorado River Basin Compact (63*
 24 *Stat. 31).*

25 “B. *The restrictions of the last sentence of Section (a)*

1 of Article IX of the Upper Colorado River Basin Compact
2 shall not be construed to vitiate paragraph A of this article.

3 "ARTICLE II

4 "This Compact shall become binding and obligatory
5 when it shall have been ratified by the legislatures of each of
6 the signatory States."

7 (c) The Secretary shall, for the Animas-La Plata,
8 Dolores, Dallas Creek, San Miguel, West Divide, and
9 Seedskadee participating projects of the Colorado River stor-
10 age project, establish the nonexcess irrigable acreage for which
11 any single ownership may receive project water at one hun-
12 dred and sixty acres of class 1 land or the equivalent thereof,
13 as determined by the Secretary, in other land classes.

14 (d) The words "any western slope appropriations" con-
15 tained in paragraph (i) of that section of Senate Docu-
16 ment Numbered 80, Seventy-fifth Congress, first session,
17 entitled "Manner of Operation of Project Facilities and
18 Auxiliary Features," shall mean and refer to the appropria-
19 tion heretofore made for the storage of water in Green Moun-
20 tain Reservoir, a unit of the Colorado-Big Thompson Fed-
21 eral reclamation project, Colorado; and the Secretary is
22 directed to act in accordance with such meaning and refer-
23 ence. It is the sense of Congress that this directive defines and
24 observes the purpose of said paragraph (i), and does not
25 in any way affect or alter any rights or obligations arising

1 under said Senate Document Numbered 80 or under the
2 laws of the State of Colorado.

3 SEC. 8. The Upper Colorado River Basin fund estab-
4 lished under section 5 of the Act of April 11, 1956 (70 Stat.
5 107), shall be reimbursed from the Colorado River develop-
6 ment fund established by section 2 of the Boulder Canyon
7 Project Adjustment Act (54 Stat. 774), for all expenditures
8 heretofore or hereafter made from the Upper Colorado River
9 Basin fund to meet deficiencies in generation at Hoover Dam
10 during the filling period of reservoirs of storage units of the
11 Colorado River storage project pursuant to the criteria for
12 the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851,
13 July 19, 1962). For this purpose \$500,000 for each year
14 of operation of Hoover Dam and powerplant, commencing
15 with the enactment of this Act, shall be transferred from
16 the Colorado River development fund to the Upper Colorado
17 River Basin fund, in lieu of application of said amounts to
18 the purposes stated in section 2(d) of the Boulder Canyon
19 Project Adjustment Act, until such reimbursement is accom-
20 plished. To the extent that any deficiency in such reim-
21 bursement remains as of June 1, 1987, the amount of
22 the remaining deficiency shall then be transferred to
23 the Upper Colorado River Basin fund from net revenues
24 derived from the sale of electric energy generated at Hoover
25 Dam.

1 *SEC. 9. Nothing in this Act shall be construed to alter,*
2 *amend, repeal, modify, or be in conflict with the provisions of*
3 *the Colorado River compact (45 Stat. 1057), the Upper*
4 *Colorado River Basin compact (63 Stat. 31), the water*
5 *treaty of 1944 with the United Mexican States (Treaty*
6 *Series 994), the decree entered by the Supreme Court of the*
7 *United States in Arizona against California and others (376*
8 *U.S. 340), or, except as otherwise provided herein, the*
9 *Boulder Canyon Project Act (45 Stat. 1057), the Boulder*
10 *Canyon Project Adjustment Act (54 Stat. 774), or the Colo-*
11 *rado River Storage Project Act (70 Stat. 105).*

12 *SEC. 10. The Secretary is directed to—*

13 *(a) make reports as to the annual consumptive*
14 *uses and losses of water from the Colorado River system*
15 *after each successive five-year period, beginning with*
16 *the five-year period starting on October 1, 1965. Such*
17 *reports shall include a detailed breakdown of the bene-*
18 *ficial consumptive use of water on a State-by-State basis.*
19 *Specific figures on quantities consumptively used from*
20 *the major tributary streams flowing into the Colorado*
21 *River shall also be included on a State-by-State basis.*
22 *Such reports shall be prepared in consultation with the*
23 *States of the lower basin individually and with the Upper*
24 *Colorado River Commission, and shall be transmitted to*

1 *the President, the Congress, and to the Governors of each*
2 *State signatory to the Colorado River compact;*

3 *(b) condition all contracts for the delivery of water*
4 *originating in the drainage basin of the Colorado River*
5 *system upon the availability of water under the Colorado*
6 *River compact.*

7 *SEC. 11. (a) The Secretary shall propose criteria for*
8 *the coordinated long-range operation of the reservoirs con-*
9 *structed and operated under the authority of the Colorado*
10 *River Storage Project Act and the Boulder Canyon Project*
11 *Act, consistent with the provisions of those statutes, the*
12 *Boulder Canyon Project Adjustment Act, the Colorado River*
13 *compact, the Upper Colorado River compact and the Mex-*
14 *ican Water Treaty. To effect in part the purposes expressed*
15 *in this paragraph, the criteria shall make provision for the*
16 *storage of water in storage units of the Colorado River stor-*
17 *age project and releases of water from Lake Powell in the*
18 *following listed order of priority:*

19 *(1) Releases to supply one-half the deficiency described*
20 *in article III(c) of the Colorado River compact, if any such*
21 *deficiency exists and is chargeable to the States of the upper*
22 *division.*

23 *(2) Releases to comply with article III(d) of the Colo-*
24 *rado River compact.*

25 *(3) Storage of water not required for the releases speci-*

1 *fied in clauses (1) and (2) of this subsection to the extent*
2 *that the Secretary, after consultation with the Upper Colo-*
3 *rado River Commission and representatives of the three low-*
4 *er division States and taking into consideration all relevant*
5 *factors (including, but not limited to, historic streamflows,*
6 *the most critical period of record, and probabilities of water*
7 *supply), shall find to be reasonably necessary to assure de-*
8 *liveries under clauses (1) and (2) without impairment of*
9 *annual consumptive uses in the upper basin pursuant to the*
10 *Colorado River compact: Provided, That water not so re-*
11 *quired to be stored shall be released from Lake Powell: (i)*
12 *to the extent it can be reasonably applied in the States of the*
13 *lower division to the uses specified in article III(e) of the*
14 *Colorado River compact, but no such releases shall be made*
15 *when the active storage in Lake Powell is less than the*
16 *active storage in Lake Mead, (ii) to maintain, as nearly as*
17 *practicable, active storage in Lake Mead equal to the active*
18 *storage in Lake Powell, and (iii) to avoid anticipated spills*
19 *from Lake Powell.*

20 *(b) Not later than July 1, 1968, the criteria proposed*
21 *in accordance with the foregoing subsection (a) of this*
22 *section shall be submitted to the Governors of the seven*
23 *Colorado River Basin States and to such other parties and*
24 *agencies as the Secretary may deem appropriate for their*

1 review and comment. After receipt of comments on the
2 proposed criteria, but not later than January 1, 1969, the
3 Secretary shall adopt appropriate criteria in accordance
4 with this section and publish the same in the Federal
5 Register. Beginning January 1, 1970, and yearly there-
6 after, the Secretary shall transmit to the Congress and to
7 the Governors of the Colorado River Basin States a report
8 describing the actual operation under the adopted criteria
9 for the preceding compact water year and the projected
10 operation for the current year. As a result of actual oper-
11 ating experience or unforeseen circumstances, the Secretary
12 may thereafter modify the criteria to better achieve the pur-
13 poses specified in subsection (a) of this section, but only after
14 correspondence with the Governors of the seven Colorado
15 River Basin States and appropriate consultation with such
16 State representatives as each Governor may designate.

17 (c) Section 7 of the Colorado River Storage Project
18 Act shall be administered in accordance with the foregoing
19 criteria.

20 SEC. 12. (a) Rights of the upper basin to the con-
21 sumptive use of water apportioned to that basin from the
22 Colorado River system by the Colorado River compact shall
23 not be reduced or prejudiced by any use of such water in
24 the lower basin.

1 (b) *Nothing in this Act shall be construed so as to*
 2 *impair, conflict with, or otherwise change the duties and*
 3 *powers of the Upper Colorado River Commission.*

4 *SEC. 13. Part I of the Federal Power Act (41 Stat.*
 5 *1063; 16 U.S.C. 791a-823) shall not be applicable to the*
 6 *reach of the Colorado River between Lake Mead and the*
 7 *present western boundary of the Grand Canyon National*
 8 *Park until and unless otherwise provided by Congress.*

9 *SEC. 14. Except as otherwise provided in this Act in*
 10 *constructing, operating, and maintaining the Central Ari-*
 11 *zona Project, the Secretary shall be governed by the Federal*
 12 *reclamation laws (Act of June 17, 1902; 32 Stat. 388 and*
 13 *Acts amendatory thereof or supplementary thereto) to which*
 14 *laws this Act shall be deemed a supplement.*

15 *SEC. 15. (a) All terms used in this Act which are de-*
 16 *finied in the Colorado River compact shall have the meanings*
 17 *there defined.*

18 (b) *“Main stream” means the main stream of the Colo-*
 19 *rado River downstream from Lee Ferry within the United*
 20 *States, including the reservoirs thereon.*

21 (c) *“User” or “water user” in relation to main stream*
 22 *water in the lower basin means the United States, or any*
 23 *person or legal entity, entitled under the decree of the Su-*

1 *preme Court of the United States in Arizona against Cali-*
2 *fornia, and others (376 U.S. 340), to use main stream*
3 *water when available thereunder.*

4 (d) "Active storage" means that amount of water in
5 reservoir storage, exclusive of bank storage, which can be
6 released through the existing reservoir outlet works.

7 (e) "Colorado River Basin States" means the States of
8 Arizona, California, Colorado, Nevada, New Mexico, Utah,
9 and Wyoming.

10 SEC. 16. There is hereby authorized to be appropriated
11 for construction of the Central Arizona Project, including
12 prepayment for power generation and transmission facilities,
13 but exclusive of distribution and drainage facilities for non-
14 Indian lands, \$768,000,000 (October 1963 prices) plus
15 or minus such amounts, if any, as may be justified by
16 reason of ordinary fluctuations in construction costs as indi-
17 cated by engineering cost indexes applicable to the types of
18 construction involved herein, and not to exceed \$100,000,000
19 for construction of distribution and drainage facilities for
20 non-Indian lands and, in addition thereto, such sums as may
21 be required for operation and maintenance of the project.

90TH CONGRESS
1ST SESSION

S. 1004

[Report No. 408]

A BILL

To authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes.

By Mr. HAYDEN, Mr. FANNIN, Mr. CANNON,
and Mr. JACKSON

FEBRUARY 16, 1967
Read twice and referred to the Committee on Interior
and Insular Affairs

JULY 26, 1967
Reported with an amendment

August 2, 1967

SENATE

16. FOOD. Passed as reported S. 2138, authorizing the Secretary of Agriculture and the Surgeon General to provide food and medical services on an emergency basis. This bill had been reported Aug. 1 during adjournment (S. Rept. 467). pp. S10543, S10548-8
17. APPROPRIATIONS. Passed, 80-4, with amendments H. R. 10196, the Labor and Health, Education, and Welfare appropriation bill. This bill had been reported Aug. 1 during adjournment (S. Rept. 469). Conferees were appointed. pp. S10651-10715
Agreed to the conference report on S. 1296, providing authorizations for the National Aeronautics and Space Administration. pp. S10578-80
A Subcommittee of the Appropriations Committee approved for full committee consideration with amendments H. R. 10738, the defense appropriation bill. p. D670
18. FOREIGN AID. Sen. Ellender inserted an article by Secretary Freeman, "Malthus, Marx, and the North American Breadbasket," in which he discusses "food production and its effect upon international relations." pp. S10582-5
19. RECLAMATION. Passed as reported S. 1251, to make certain reclamation project expenses nonreimbursable. pp. S10538-9
Passed as reported S. 862, forbidding Federal participation in irrigation projects under the Small Reclamation Projects Act until 30 days after a project has been submitted to Congress. This bill had been reported on Aug. 1 during adjournment (S. Rept. 468). pp. S10543-5
Began consideration of S. 1004, authorizing construction and operation of the Central Arizona project. Sen. Jackson inserted certain financial data relating to this bill. pp. S10620-1, S10720-23
20. INDIAN LANDS. Passed as reported S. 285, to allow long-term leasing of restricted Indian lands for public, religious, educational, recreational, residential, business, farming or grazing purposes. pp. S10542-3
21. HOUSING. Sen. Kennedy, N. Y., commended and inserted testimony by Sen. Mondale before the Housing Subcommittee, S. Banking and Currency Committee, on proposed legislation to provide moderate-income families with opportunity to purchase housing and to establish a revolving Federal fund to aid nonprofit sponsors in the effort to meet the housing needs of the urban poor. pp. S10591-3
Sen. Scott inserted his testimony on his proposal to develop comprehensive planning in housing programs as well as other community goals. pp. S10622-3
22. POVERTY. Sen. Javits inserted several magazine articles presenting, debating, and analyzing the various programs carried on under the provisions of the Economic Opportunity Act. pp. S10624-8
23. TAX SHARING. Sen. Javits commended and inserted a statement to the Fiscal Policy Subcommittee, Jt. Economic Committee, by Dr. Walter Heller, former Chairman of the Council of Economic Advisers, entitled "Questions and Answers on Revenue Sharing." pp. S10632-5

24. AGRICULTURAL EXPORTS. Sen. Carlson inserted a statement by the National Farmers Union president discussing food needs, world trade, and export problems. pp. S10635-7
25. INTERGOVERNMENT RELATIONS. Sen. Mundt inserted a speech by Sen. Baker on "The Future of Federalism," in which he stated that he strongly favors a program of no-strings-attached federal revenue sharing as the centerpiece of a balanced program to strengthen federalism as state and local governments assume more responsibility. pp. S10637-8
26. COMMITTEE BUSINESS. The Agriculture and Forestry Committee ordered favorably reported (but did not actually report) without amendment S. 2126, to make newly acquired farms eligible for the cropland adjustment program under certain circumstances; and with amendment S. 109, prohibiting discrimination against a producer concerning his right to belong to an association of producers; S. 1657, authorizing indemnity payments to dairy farmers who are directed to remove their milk from markets because it contains certain chemical residues; and S. 1550, to amend the Consolidated Farmers Home Administration Act to provide for release of valueless liens. p. D670
27. POLLUTION. Received from HEW a report on automotive air pollution, and from the Interior Department a report on manpower and training needs in water pollution control; to Public Works Committee. p. S10549
Sen. Cooper inserted an editorial commenting on the air pollution control bill which the Senate passed recently, "A Business Responsibility." pp. S10608-9
28. FAIR HOUSING. Sen. Sparkman announced hearings to begin Aug. 21 on S. 1358, the proposed Fair Housing Act of 1967, and S. 2114, to supplement the financing of homes where there is evidence of discriminatory lending practices. Sen. Mondale spoke in favor of these two bills. pp. S10576-7
29. COSPONSORS. Several Senators were added as cosponsors to various bills; Sens. Thurmond and Jordan, Idaho, to S. 2097, to double custom duty on articles imported from communist countries trading with North Vietnam, and S. 2098, to prohibit the export of articles to Communist countries trading with North Vietnam; and 12 Senators were added to S. 1796, to impose quotas on the importation of certain textile articles. Sen. Tower added his name as cosponsor to several bills and inserted a statement of his reasons for this action. pp. S10574-6

ITEMS IN APPENDIX

30. OPINION POLL. Rep. Gathings inserted the results of a questionnaire including items of interest to this Department. p. A3910
31. WATER. Rep. Wydler inserted his statement on the future water needs of his area made at the Army Corps of Engineers hearings on water supply problems. pp. A3913-14
32. MODEL CITIES. Extension of remarks by Rep. Moorhead expressing concern that the House "rejected" the model cities program and inserting an article on the subject. pp. A3917-18
33. FOOD STAMP. Rep. Fraser inserted a newspaper report praising the food stamp program. pp. A3922-3

duty, and in properly enforcing the laws of the community, without immediately being surrounded by a jeering, threatening mob shouting "Police brutality." It has become virtually a pattern throughout the country, and the fuse to many of the recent riots has been ignited by an arrest properly executed. What is going to happen to law and order if the community is unable, through its properly constituted authorities, to enforce the law? Anarchy will result. Mob rule will prevail. Every man will be a law unto himself. And every man will arm for his own protection and for the protection of his own family.

"Society based on the rule that each one is a law unto himself would soon be confronted with disorder and anarchy." (Justice Harlan, U.S.S.C.)

No, police brutality is not the cause of the unrest sweeping over the Nation. I do not condone police brutality, but I do not believe that much of it can be found to exist.

The citizen who obeys the laws and who conducts himself properly will need have no fear of police brutality. All too often, the individual who charges police brutality has been guilty, first, of breaking the law, and then of resisting the officer who made the arrest. The policeman is more often abused and mistreated than is the person who cries "Police brutality."

Some people say the riots result from the slow pace of integration and poor educational facilities. But one does not have to have an integrated, interracial education to have a good education. Otherwise, it would be impossible to get a good education in many European schools and few Americans, relatively speaking, would have had a good education over the years.

Moreover, most people of my age in America can remember the one-room school, the two-room school, the school without running water and without plumbing, the school with a Burnside stove. I am not advocating that we go back to that, but more moneys are being spent today, and rightly so, to educate people in these troubled areas than were ever spent before.

Of course, not all of the schools in the crowded cities are the best—no one would maintain that to be the case—but they are rapidly being replaced with new and modern facilities, and even the oldest and worst of the city schools today are often better than many of those in which most Americans my age and older acquired their education. Yet, poor school facilities were never heretofore considered an excuse or justification for rioting.

After all, it is not the school so much, perhaps, as it is the student himself. We can only provide the opportunity for an education, but if the student shows no inclination to take advantage of the opportunity, he will not become educated. Education cannot be administered as a drug through a hypodermic needle. It cannot be absorbed by osmosis. It requires effort. And many people will never put forth the effort to learn regardless of how modern the school may be.

There are those who blame the riots on poverty. Yet, poverty-stricken white Americans outnumber poverty-stricken Negroes, but white Americans have not resorted to violence in the streets. Moreover, there are millions of poor Negroes in America today who deplore the riots.

If poverty were an excuse for rioting, Abraham Lincoln would have been the Stokely Carmichael of his day and Booker T. Washington would have been the Floyd McKissick or the Rap Brown of his time.

I remember the depression of the early 1930's. Thousands of men and women and children in West Virginia were inadequately clothed, fed, and sheltered, but they did not attempt to take the law into their own hands. Negroes and white saw hunger in the mining communities, but they did not find in this an excuse to burn and loot and destroy.

The mining communities where I lived as a boy, and during my early adult years, were areas of grinding poverty.

I have seen men wearing hemp sacks around their feet in the wintertime because they lacked shoes. I have seen Christmases come and go without a stick of candy in many a home. I have seen children without shoes and tables without food. I have seen men without jobs, and I have seen rat-infested houses. As to plumbing fixtures, there were none. Air conditioning was unheard of. Few people could boast of owning a radio or refrigerator, and fewer still possessed an automobile.

Yet, these poor people, as a general rule, kept their floors scrubbed and their steps clean. Here and there they planted a flower or a piece of shrubbery. Their few bits of clothing were washed on a scrubboard in a No. 3 tub. They could not afford the luxury of a washing machine. Yet, these people, Negro and white, were law-abiding citizens and they taught their children to obey the law and to respect governmental authority.

People tried to help one another rather than hurt one another. People sought to give, even when they had little to give, instead of taking that which was not rightfully theirs. And, believe it or not, people did not have to lock their doors at nights and bar their windows. Nobody ever heard of homes being burglarized, of women being raped, of old men being knocked to the ground and robbed, and of pockets being picked in those communities.

So I cannot have much sympathy with those who attempt to blame the riots upon poverty. Strangely enough, many of these so-called poverty-stricken rioters seem to be mainly interested in looting the liquor stores. According to the news reports, these are the establishments that are first looted.

Some would have us believe that these rioters want jobs. I happen to believe that most of them would not hit a lick at a snake. They are allergic to work, and as the old saying goes, a drop of their sweat would cure the leprosy.

One has only to look at the job opportunities in the Washington Metropolitan area, or in any other city, to see that many jobs go begging for want of people to fill them. The Eastern Panhandle of West Virginia is a great apple-growing area, and it is but a few miles from the Nation's Capital. Yet, fruit pickers have to be imported every year to help harvest West Virginia apples. There are reported to be between 7,000 and 8,000 individuals in the city of Washington who supposedly constitute the hard core unemployed, and yet, heretofore, it has been impossible to recruit people from this area who are willing to travel to the apple orchards, just a few miles away, to help harvest the fruit.

Look at the classified section in the Washington newspapers on any day of the week, and one will find advertisement after advertisement calling for domestic help. Most of these domestics can get \$12 for 8 hours' work and their transportation paid and lunch provided, but all too many of the employable women do not want to work, and so the jobs are not filled. Many of these people would rather draw welfare checks than go to work.

Just travel a dozen blocks from the Capitol building, in any one of three directions, and look at the young, defiant hoodlums who are congregated on the street corners and listen to their vulgar language, and you will readily understand the reluctance of employers to give them jobs. The element about which I speak would constitute a danger to the employer, in the first place, and, in the second place, they are absolutely untrustworthy.

When a man heaves a brick through a store window and makes off with a television set or other loot, he thereby brands himself as an irresponsible individual who is

not worthy of employment and one whom no sensible employer would want to hire.

So, where these so-called "causes" of the riots are cited again and again, people are just not thinking.

In a degree, however, it is understandable that the rioters would harbor the idea that they have a vested right to do wrong because they have sometimes been encouraged to believe this. They have been so encouraged by those who say that poverty or discrimination or lack of jobs, et cetera, are the causes for riots. Public officials, if they are forced by recent events to deplore the riots, often do so in one sentence, but, almost invariably, they immediately embark upon a speech wherein they seek to excuse the violence and excuse those who perpetrate it by placing the blame upon a society which has been unable fully to eradicate poverty, discrimination, and unemployment. Little wonder that the rioters are encouraged to do violence.

I do not maintain that poverty and slums and unemployment are to be ignored, or that we should close our eyes to these things. Indeed, we should take feasible action to effectively deal with them. I do say, however, that they are not a justification for insurrection and riot. They are not an excuse for violence. Most people have had to work for what they own. Most people are willing to work for what they receive. Most people have demonstrated the patience, the initiative, and the effort to get where they are, and the obstacles they have had to overcome have often been great.

The issue here is whether a minority group should be able to bring such pressure to bear on Government by the threat of violence that it can exact funds from the Public Treasury.

If democracy means anything at all, it means that the taxpayers' money—that the people's property which has been taken for public purposes—shall be spent only in accordance with laws and policies determined by the people's representatives. And if democracy means anything at all, it means that such laws and policies are formulated and adopted only through a process whereby the people's representatives are persuaded to support them by rational arguments presented in democratic debate.

To shortcut the process of debate by threatening violence is to attack democracy itself. Whoever takes up and uses—however indirectly—the threat of violence is guilty of something like blackmail. And it may behoove us all to remember Mr. Justice Frankfurter's admonition: "Respect for law cannot be turned off and on as though it were a hot-water faucet."

Increasing numbers of public leaders are attempting to persuade Congress to vote more funds for various urban and anti-poverty programs by warning Members of Congress of the violent consequences that will occur should Congress not fund such programs.

To make such an argument is equivalent to saying: "Fund these programs in the amounts we ask for, or else."

So what is the solution to this most vexing problem of our age?

I wish I could tell you in a few easy phrases or simple words, but there are none.

Perhaps the entire problem is impossible of solution. For, while some say the answer lies in more Federal aid to these areas in the form of urban renewal, school subsidies, and poverty programs, will not this simply aggravate the problem of individuals who refuse to work? If everything is done for them by "Uncle" why should they make any personal effort to do it themselves.

Are those who toil and save, those who live by the law, are they to be forced to pay, through already high taxes and through higher insurance rates, for the repair and uplifting of the slums and their inhabitants?

Yes, but is this not a form of tribute or protection money to keep the natives happy and quiet?

These are all profoundly difficult problems and I am man enough to admit that I cannot even begin to know all of the answers to them. I already have urged some action which I hope will at least put some sort of damper on these terrible fires.

I am a co-sponsor of the anti-riot bill. This bill makes it a federal crime to incite or participate in a riot which impairs interstate or foreign commerce, or to interfere with a fireman or law enforcement officer who is performing official duties incident to or during a riot. I do not maintain that this bill will be a cure-all, if it is enacted. Moreover, I would not be at all surprised if the Supreme Court of the United States, as presently constituted, were to rule such a law unconstitutional!

In the long run, every effort should be put forth to stamp out illiteracy, and the emphasis, for every individual, should be upon education. Education for the sake of education, rather than integration for integration's sake, is the important thing. Education will light the paths to mutual respect, cooperation, and better understanding. Education is the cornerstone for amicable race relations.

Booker T. Washington, one of the greatest of American Negroes, lived as a boy in Maiden, West Virginia, where he toiled in the salt works and in the mines. In later years, when he had become a great educator, he made a statement, the wisdom of which can benefit not only the Negro boy or girl, but also the white youth who is desirous of making a success in life:

"When a Negro girl learns to cook, to wash dishes, to sew, to write a book, or a Negro boy learns to groom horses, or to grow sweet-potatoes, or to produce butter, or to build a house, or to be able to practice medicine, as well or better than someone else, they will be rewarded regardless of race or color."

Moreover, every man should have the opportunity for employment on the basis of merit, and he should expect to be chosen only on the basis of merit, education, training, experience, industry, and character—not the color of his skin. Nor should the color of one's skin be a badge for preferential treatment in hiring and promotion any more than it should be a badge for discriminatory treatment.

Also, family planning is imperative, and civil rights organizations should make intensive efforts to promote such. The high birth rate among low-income Negro families simply cannot be over-looked. For, whatever importance may be assigned to unemployment as a factor in riots and other developments which have racial overtones, the fact is that, in this age of automation, cybernation, and advancing technology, the problem of unemployment will always be with us, and no amount of Government largess and costly poverty programs will constitute a panacea therefor as long as the birth rate is permitted to soar, unchecked and uncontrolled, among those families least prepared and least able to provide for large numbers of children who, in later years, will be unprepared candidates for jobs which no longer exist.

Additionally, the problem of illegitimacy must be dealt with. An indication of the concomitant social evils can be seen in the fact that there were 12 times as many cases of venereal disease per 100,000 people in Harlem as there were per 100,000 people in New York City as a whole.

Illegitimacy is, more and more, becoming a frightening factor in this whole equation. How the Nation can continue to close its eyes to this disturbing fact is beyond comprehension. Something will have to be done about it, or the burden of crime, riots, and the dole will ultimately become unbearable.

Militant civil rights groups should stop blaming the white power structure for all of the ills that are visited upon the Negro community.

Negroes must themselves take the lead in doing something constructive for themselves; and they can do this by waging war upon the evils of illegitimacy as one important beginning.

The Negro's lot can be infinitely better in the future if something is done now to encourage and promote planned parenthood and parental responsibility. This is not to say that illegitimacy is nonexistent among whites, but the statistics show clearly where the problem is greatest, and it should there be attacked most intensely.

Finally, no amount of Government paternalism can take the place of drive and ambition when it comes to developing the substantial and upright citizen. Hard work, perseverance, and self-accomplishment breed independence and strength, and courage and resourcefulness in the man or woman. Somehow the glory of honest toil is going to have to be restored if this Nation is going to survive all of the domestic dangers that confront it. There is no question but that the Central Government has a responsibility to assist, a responsibility to provide certain services, but if that Government is to endure, the people must not be encouraged more and more to depend upon the Government for the supplying of every want and every need. A nation on the dole can never hope to maintain the moral fiber, the spiritual strength, and the rugged resourcefulness to keep her people free.

Easy money, easy living, laziness, shiftlessness—all these go hand in hand with irresponsibility, a disordered society, and ultimate decay.

Disobedience to law and acts of violence by a few can hurt the just cause of the many. Not alone this. The perpetuation of ours as a government of laws depends upon the preservation of the constitutional process through which the rights of minorities can be safeguarded and only through which the freedoms of all our citizens will endure.

It may be a tedious process, a long and painstaking process, but, like the mills of the gods, it grinds exceedingly fine. And anything that is antithetic to that constitutional process, whether it be the false doctrine of self-determination by one's conscience as to what laws should be obeyed or disobeyed does violence to this Republic and to constitutional American liberty.

In the words of a former Supreme Court Justice:

The foundation of a republic is the virtue of its citizens. They are at once sovereigns and subjects. As the foundation is undermined, the structure is weakened. When it is destroyed, the fabric must fall. Such is the voice of universal history. (Swayne, U.S.S.C.)

CENTRAL ARIZONA PROJECT ACT

Mr. BYRD of West Virginia. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 395, S. 1004. I do this so that the bill will become the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1004) to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs, with an

amendment to strike out all after the enacting clause and insert:

SECTION 1. That this Act may be cited as the "Central Arizona Project Act".

SEC. 2. (a) For the purposes of furnishing irrigation water and municipal water supplies to the water-deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, generation of electric power and energy, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall construct, operate, and maintain the Central Arizona Project, consisting of the following principal works: (1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system shall have a capacity of not less than three thousand cubic feet per second; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so operated as to not prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59); (4) Hooker Dam and Reservoir, which shall be constructed in such a manner as to give effect to the provisions of subsections (f), (g), and (h) of this section; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueduct; (8) canals, regulating facilities, hydroelectric powerplants, and electrical transmission facilities; (9) related water distribution and drainage works; and (10) appurtenant works: Provided, That for a period of 27 years from the effective date of this Act, in any year in which, as determined by the Secretary, there will be insufficient mainstream Colorado River water to satisfy the consumptive uses of two million eight hundred thousand, four million four hundred thousand, and three hundred thousand acre-feet in Arizona, California, and Nevada, respectively, diversions for the said purposes of the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use of four million four hundred thousand acre-feet in the State of California. Except as to the terms and provision of this priority, the rights of Arizona under the decision in Arizona against California (373 U.S. 546) are not affected, abridged, or impaired. The terms "consumptive use" and "main stream" as used in this Act shall have the meanings assigned to those terms in the decree in Arizona against California, dated March 9, 1964 (376 U.S. 340).

(b) (1) The Secretary may enter into an agreement with non-Federal interests proposing to construct a thermal generating powerplant whereby the United States shall acquire the right to such portion of the capacity of such plant, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the Central Arizona Project. Power and energy acquired thereunder may be disposed of intermittently by the Secretary when not required in connection with the Central Arizona Project. The agreement shall provide, among other things, that—

(i) The United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplant, and of any switchyards and transmission facilities serving the

United States, as is represented by the ratios of the respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of preparation of designs and specifications, in such installments as will facilitate a timely construction schedule, but no funds other than for preconstruction activities shall be made available by the Secretary until he determines that adequate contractual arrangements are in effect covering water and fuel supplies for the thermal generating powerplant;

(ii) Annual operation and maintenance costs, including provisions for depreciation (except as to depreciation on the pro rata share of construction cost borne by the United States in accordance with the foregoing subdivision (i)) shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing subdivision (i);

(iii) The United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplant and appurtenances;

(iv) Costs to be borne by the United States under subdivisions (i) and (ii) shall not include (a) interest and interest during construction, (b) financing charges, (c) franchise fees, and (d) such other costs as shall be specified in the agreement.

(2) The thermal generating plant referred to in subparagraph (1) of this subsection shall be located in Arizona, and if it is served by water diverted from the drainage area of the Colorado River system above Lee Ferry, consumptive use of water in connection therewith shall be charged against the apportionment to Arizona made by article III (a) of the Upper Colorado River Basin Compact (63 Stat. 31) and such use shall not increase Arizona's entitlement to consumptive use under said compact.

(c) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges, and, with the approval of the Secretary, State-administered wildlife management areas.

(d)(1) Irrigation and municipal and industrial water supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other arrangements whereby each such organization makes water from the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval and the United States shall, if the Secretary determines such action is desirable to facilitate carrying out the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this subparagraph (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

(2) Any obligation assumed pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9(e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(e)) may be on the basis of delivery of

water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes.

(3) Contracts relating to municipal and industrial water supply under the Central Arizona Project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

(e) Each contract under which water is provided under the Central Arizona Project shall require that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution system through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings, adequate in his judgment to prevent excessive conveyance losses; and (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the service area of a contractor receiving water from the Central Arizona Project for any use outside said contractor's service area unless the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required. Such contracts shall be subordinate at all times to the satisfaction of all existing contracts between the Secretary and users in Arizona heretofore made pursuant to the Boulder Canyon Project Act (45 Stat. 1057).

(f) The Secretary may require in any contract under which water is provided from the Central Arizona Project that the contractor agree to accept main stream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system, to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (h) of this section: *Provided*, That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

(g) In times of shortage or reduction of main stream Colorado River water for the Central Arizona Project, as determined by the Secretary, users which have yielded water from other sources in exchange for main stream water supplied by that project shall have a first priority to receive main stream water, as against other users supplied by that project which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

(h) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources, in amounts that will permit consumptive use of water in New Mexico not to exceed an annual average in

any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until and shall continue only so long as delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversions from the Gila River, its tributaries and underground water sources. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved. All additional consumptive uses provided for in this subsection shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries and underground water sources, and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

(1) For a period of ten years from the date of enactment of this Act, no water from the projects authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

(j) The Secretary shall integrate the Dixie project, heretofore authorized, into the repayment arrangement and participation in the Development Fund established by section 5 of this Act consistent with the provisions of this Act.

SEC. 3. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Central Arizona Project works authorized pursuant to this Act shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 4. The Secretary shall determine the repayment capability of Indian lands within, under, or served by the Central Arizona Project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 464), and such costs as are beyond repayment capability of such lands shall be nonreimbursable.

SEC. 5. (a) There is hereby established a separate fund in the Treasury of the United States, to be known as the Lower Colorado River Basin Development Fund (hereafter called the "Development Fund"), which shall remain available until expended as hereafter provided, for carrying out the provisions of section 2 of this Act, and to be expended or applied in connection with water conservation and development for the Lower Colorado River Basin as may hereafter be prescribed by the Congress.

(b) All appropriations made for the purpose of carrying out the aforesaid provisions of section 2, and such projects as are hereafter authorized by the Congress for water conservation and development for the

Lower Colorado River Basin, shall be credited to the Development Fund as advances from the general fund of the Treasury and shall be available for such purposes.

(c) There shall also be credited to the Development Fund—

(1) All revenues collected in connection with the operation of the works and facilities authorized pursuant to section 2 and hereafter authorized in furtherance of the purposes of this Act (except entrance, admission, and other recreation fees or charges and proceeds received from recreation concessionaires); and

(2) All Federal revenues from the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of the said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of those projects: *Provided, however*, That the Secretary is authorized and directed to continue the in-lieu-of-taxes payments to the States of Arizona and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon Project.

(3) All Federal revenues from the portion of the Pacific Northwest-Pacific Southwest intertie, located in the States of Nevada and Arizona which, after completion of repayment requirements of the said part of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said portion of the Pacific Northwest-Pacific Southwest intertie and related facilities.

(d) All revenues collected and credited to the development fund pursuant to this Act shall be available, without further appropriation, for—

(1) defraying the costs of operation, maintenance, and replacements of, and emergency expenditures for, all facilities of the project within such separate limitations as may be included in annual appropriation Acts;

(2) payments, if any, as required by section 8 of this Act;

(3) payments as required by subsection (f) of this section; and

(4) payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 2 of this Act.

(e) Revenues credited to the Development Fund shall not be available for construction of the works authorized pursuant to section 2 of this Act except on appropriation by the Congress.

(f) Revenues in the Development Fund in excess of the amount necessary to meet the requirements of clauses (1), (2), and (4) of section (d) of this section shall be paid annually to the general fund of the Treasury to return—

(1) the costs of the project or separable feature thereof, authorized pursuant to section 2 of this Act which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act, within a period not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law; and

(2) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance with the provisions of subsection (g) of this section, and interest due shall be a first charge.

(g) The interest rate applicable to those portions of the reimbursable costs of the Central Arizona Project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such project, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

(h) Business-type budgets shall be submitted to the Congress annually for all operations financed by the development fund.

SEC. 6. The Secretary may undertake programs for water salvage along and adjacent to the main stream of the Colorado River and for ground water recovery. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary.

SEC. 7. (a) In order to provide for the construction, operation, and maintenance of the Animas-La Plata Federal reclamation project, Colorado-New Mexico; the Dolores, Dallas Creek; West Divide, and San Miguel Federal reclamation projects, Colorado, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), and to provide for the completion of planning reports on other participating projects, subsection (2) of section 1 of said Act is hereby further amended by deleting the words "Pine River extension", and inserting in lieu thereof the words "Animas-La Plata, Dolores, Dallas Creek, West Divide, San Miguel". Section 2 of said Act is hereby further amended by deleting the words "Parshall, Troublesome, Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers extension, Animas-La Plata", and inserting after the words "Yellow Jacket" the words "Basalt, Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomichi Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units)", and by inserting after the "Sublette" the words "(including the Kendall Reservoir on Green River and a diversion of water from the Green River to the North Platte River Basin in Wyoming), Uintah unit and the Ute Indian unit of the central Utah, San Juan County (Utah), Price River, Grand County (Utah), Ute Indian unit extension of the central Utah, Gray Canyon, and Juniper (Utah)". The amount which section 12 of said Act authorizes to be appropriated is hereby further increased by the sum of \$360,000,000 plus or minus such amounts, if any, as may be required, by reason of changes in construction costs as indicated by engineering cost indexes applicable to the type of construction involved. This additional sum shall be available solely for the construction of the projects herein authorized.

(b) The Animas-La Plata Federal reclamation project shall be constructed and operated in substantial accordance with the engineering plans set out in the report of the Secretary transmitted to the Congress on May 4, 1966, and printed as House Document Numbered 436, Eighty-ninth Congress: *Provided*, That the project construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

"ANIMAS-LA PLATA PROJECT COMPACT"

"The State of Colorado and the State of New Mexico, in order to implement the operation of the Animas-La Plata Federal Recla-

mation Project, Colorado-New Mexico, a proposed participating project under the Colorado River Storage Project Act (70 Stat. 105), and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and have agreed upon the following articles:

"ARTICLE I"

"A. The right to store and divert water in Colorado and New Mexico from the La Plata and Animas River systems, including return flow to the La Plata River from Animas River diversions, for uses in New Mexico under the Animas-La Plata Federal Reclamation Project shall be valid and of equal priority with those rights granted by decree of the Colorado state courts for the uses of water in Colorado for that project, providing such uses in New Mexico are within the allocation of water made to that state by articles III and XIV of the Upper Colorado River Basin Compact (63 Stat. 31).

"B. The restrictions of the last sentence of Section (a) of Article IX of the Upper Colorado River Basin Compact shall not be construed to vitiate paragraph A of this article.

"ARTICLE II"

"This Compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States."

(c) The Secretary shall, for the Animas-La Plata, Dolores, Dallas Creek, San Miguel, West Divide, and Seedskadee participating projects of the Colorado River storage project, establish the nonexcess irrigable acreage for which any single ownership may receive project water at one hundred and sixty acres of class 1 land or the equivalent thereof, as determined by the Secretary, in other land classes.

(d) The words "any western slope appropriations" contained in paragraph (1) of that section of Senate Document Numbered 80, Seventy-fifth Congress, first session, entitled "Manner of Operation of Project Facilities and Auxiliary Features," shall mean and refer to the appropriation heretofore made for the storage of water in Green Mountain Reservoir, a unit of the Colorado-Big Thompson Federal reclamation project, Colorado; and the Secretary is directed to act in accordance with such meaning and reference. It is the sense of Congress that this directive defines and observes the purpose of said paragraph (1), and does not in any way affect or alter any rights or obligations arising under said Senate Document Numbered 80 or under the laws of the State of Colorado.

SEC. 8. The Upper Colorado River Basin fund established under section 5 of the Act of April 11, 1956 (70 Stat. 107), shall be reimbursed from the Colorado River development fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 774), for all expenditures heretofore or hereafter made from the Upper Colorado River Basin fund to meet deficiencies in generation at Hoover Dam during the filling period of reservoirs of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose \$500,000 for each year of operation of Hoover Dam and powerplant, commencing with the enactment of this Act, shall be transferred from the Colorado River development fund to the Upper Colorado River Basin fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin fund from net revenues derived from the sale of electric energy generated at Hoover Dam.

SEC. 9. Nothing in this Act shall be construed to alter, amend, repeal, modify, or be

in conflict with the provisions of the Colorado River compact (45 Stat. 1057), the Upper Colorado River Basin compact (63 Stat. 31), the water treaty of 1944 with the United Mexican States (Treaty Series 994), the decree entered by the Supreme Court of the United States in Arizona against California and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774), or the Colorado River Storage Project Act (70 Stat. 105).

SEC. 10. The Secretary is directed to—

(a) make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1965. Such reports shall include a detailed breakdown of the beneficial consumptive use of water on a State-by-State basis. Specific figures on quantities consumptively used from the major tributary streams flowing into the Colorado River shall also be included on a State-by-State basis. Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and to the Governors of each State signatory to the Colorado River compact;

(b) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River compact.

SEC. 11. (a) The Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River Storage Project Act and the Boulder Canyon Project Act, consistent with the provisions of those statutes, the Boulder Canyon Project Adjustment Act, the Colorado River compact, the Upper Colorado River compact and the Mexican Water Treaty. To effect in part the purposes expressed in this paragraph, the criteria shall make provision for the storage of water in storage units of the Colorado River storage project and releases of water from Lake Powell in the following listed order of priority:

(1) Releases to supply one-half the deficiency described in article III(c) of the Colorado River compact, if any such deficiency exists and is chargeable to the States of the upper division.

(2) Releases to comply with article III(d) of the Colorado River compact.

(3) Storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three lower division States and taking into consideration all relevant factors (including, but not limited to, historic streamflows, the most critical period of record, and probabilities of water supply), shall find to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the lower division to the uses specified in article III(e) of the Colorado River compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

(b) Not later than July 1, 1968, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the Governors of the seven

Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than January 1, 1969, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1970, and yearly thereafter, the Secretary shall transmit to the Congress and to the Governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the Governors of the seven Colorado River Basin States and appropriate consultation with such State representatives as each Governor may designate.

(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

SEC. 12. (a) Rights of the upper basin to the consumptive use of water apportioned to that basin from the Colorado River system by the Colorado River compact shall not be reduced or prejudiced by any use of such water in the lower basin.

(b) Nothing in this Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission.

SEC. 13. Part I of the Federal Power Act (41 Stat. 1063; 16 U.S.C. 791a-823) shall not be applicable to the reach of the Colorado River between Lake Mead and the present western boundary of the Grand Canyon National Park until and unless otherwise provided by Congress.

SEC. 14. Except as otherwise provided in this Act in constructing, operating, and maintaining the Central Arizona Project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388 and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

SEC. 15. (a) All terms used in this Act which are defined in the Colorado River compact shall have the meanings there defined.

(b) "Main stream" means the main stream of the Colorado River downstream from Lee Ferry within the United States, including the reservoirs thereon.

(c) "User" or "water user" in relation to main stream water in the lower basin means the United States, or any person or legal entity, entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), to use main stream water when available thereunder.

(d) "Active storage" means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works.

(e) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming.

SEC. 16. There is hereby authorized to be appropriated for construction of the Central Arizona Project, including prepayment for power generation and transmission facilities, but exclusive of distribution and drainage facilities for non-Indian lands, \$768,000,000 (October 1963 prices) plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein, and not to exceed \$100,000,000 for construction of distribution and drainage facilities for non-Indian lands and, in addition thereto, such sums as may be required for operation and maintenance of the project.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 53 minutes p.m.) the Senate adjourned until tomorrow, August 3, 1967, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate August 2, 1967:

DEPUTY DIRECTOR OF PEACE CORPS

Brent K. Ashabranner, of Oklahoma, to be Deputy Director of the Peace Corps.

UPPER GREAT LAKES REGIONAL COMMISSION

Harold G. Jordahl, Jr., of Wisconsin, to be Alternate Federal Cochairman of the Upper Great Lakes Regional Commission.

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law:

Lieutenant colonel to colonel

LINE OF THE AIR FORCE

Aaron, Thomas R., 09689.
Abbott, Charles W., 15243.
Abbott, Edgar L., 34547.
Adcock, James K., 20589.
Adkins, Harold F., 34250.
Akin, John A., 49171.
Albright, John S., 24703.
Alden, William A., 22658.
Alder, Louis O., 16280.
Aldrich, Thomas A., 16418.
Alexander, Glenn R., 14777.
Alexander, Wiley L., 8670.
Algermissen, Robert L., 15846.
Allen, Charles S., 16305.
Allman, Conrad S., 15984.
Allran, Braxton E., 16128.
Almon, Sam L., 34802.
Amundson, Maynard N., 12501.
Anderson, Carmon H., 50348.
Anderson, Charles C., Jr., 33257.
Anderson, Charles K., 20616.
Anderson, George R., 23653.
Anderson, Robert S., 15199.
Anderson, Winston P., 15848.
Andrews, George A., 15103.
Angel, Angel J., 34497.
Angel, Ralph W., 49235.
Angert, Russell R., Jr., 49177.
Anthony, William H., 22993.
Arabanko, Nicholas, 34822.
Argersinger, James B., 16404.
Armstrong, Robert H., 15899.
Armstrong, William P., 16471.
Arnold, William A., Jr., 14944.
Ashman, Robert E., 48721.
Aszman, Burton H., 07342.
Auger, Gerald F., 16009.
Austin, Noel D., 15825.
Babb, James W., 22606.
Back, John V., 12953.
Bahls, Roy A., 15878.
Bailer, Harold W., 13460.
Bailey, James A., 49199.
Bailey, James W., 16293.
Bailey, Joseph A., 13505.
Bailey, Richard F., 12414.
Bailey, Wallis T., 34836.
Baker, Homer A., Jr., 33126.
Baker, Kemper W., 15791.
Baker, Marshall E., 20675.
Baker, Ogden Z., 33452.
Ballengee, Chester K., 34866.
Banias, Bill B., 51846.
Barker, Darold K., 8819.

- Barnhart, Harley E., 15488.
 Barrett, Burton S., 15589.
 Barrett, Edward C., 49260.
 Barzge, Kenneth G., 14326.
 Basham, Hai J., 51088.
 Bastian, Earl L., 10693.
 Bates, Vergil H., 51085.
 Bauer, Charles L., III, 50959.
 Bean, John R., 50326.
 Beck, Joseph P., 12578.
 Beckelman, Jack D., 7600.
 Becker, Edgar J., 35104.
 Becklund, William B., 35091.
 Bedell, William L., 35068.
 Beeson, Eliwood H., 34653.
 Beisner, Gerald J., 16251.
 Bell, Robert M., 18145.
 Bell, Roland L., 50338.
 Belles, Harold A., 34851.
 Benkoski, Stanley J., 15723.
 Bennett, George W., 49213.
 Bennett, John J., 16218.
 Benton, Roger G., 11524.
 Berger, Marvin E., 12337.
 Berman, Samuel D., 34186.
 Berodt, Howard H., 14782.
 Bettis, Howard E., 34273.
 Betts, Howard M., 34619.
 Bierbaum, Henry G., 34991.
 Biles, Howard K., 15426.
 Bjoring, Donell E., 49264.
 Blake, John E., 23671.
 Blakelock, John H., 50427.
 Blankenship, Jack F., 16463.
 Blevins, Mack A., 15533.
 Blizzard, Alpheus W., Jr., 15290.
 Blomberg, Jules M., 16096.
 Boarman, Willi O., Jr., 51790.
 Bogard, Wayne C., 9433.
 Bohn, John W., Jr., 51044.
 Boiint, Michael J., Jr., 11636.
 Bolnick, Ralph, 34848.
 Boning, John, 15955.
 Boomgaard, Norman C., 51078.
 Boothe, Marvin R., 15741.
 Borders, John E., 16290.
 Borodkin, Marvin, 15626.
 Bosworth, Richard A., 15330.
 Bosworth, Wallace C., Jr., 14302.
 Bowers, Charles J., 33072.
 Bowling, Temple, 33103.
 Bowman, Aaron J., 34569.
 Boyd, Clifton L., 15635.
 Boyd, Raymond A., 15295.
 Branham, Ethel B., 5202.
 Brazier, Harold W., 9932.
 Brewer, Sidney W., 49274.
 Bridston, John W., 49238.
 Bright, William, 14746.
 Brookins, Richard C., 33015.
 Brooks, William D., Jr., 14712.
 Brotherton, Robert G., 15909.
 Broughton, Roy J., Jr., 27677.
 Broughton, Thomas E., 14280.
 Brouns, Robert C., 15811.
 Brown, Clement F., Jr., 11517.
 Brown, David R., 33763.
 Brown, George A., 15892.
 Brown, Henry W., 15225.
 Browning, George A., III, 33934.
 Brunner, Bertram G., 35088.
 Bruss, Robert E., 32619.
 Bryan, Raymond J., 16453.
 Bryson, John W., 26425.
 Buckingham, Kent O., 14533.
 Budnik, Eugene J., 14344.
 Bujoi, George W., 12660.
 Bundy, Wayne M., 49293.
 Burch, George E., 34967.
 Burke, Leonard F., 33525.
 Burkhart, James M., 18230.
 Burleson, Aaron C., 15581.
 Burningham, Haven R., 14450.
 Burrell, Gordon E., 15691.
 Busseils, Chatham P., 13738.
 Butt, Oscar A., 15346.
 Buzze, Frank C., 34392.
 Cadden, James J., 34007.
 Caldwell, George P., 15006.
 Calhoun, John D., 15836.
 Campbell, Donald L., 34651.
 Campbelle, Leslie J., Jr., 16397.
 Campbell, Richard A., 32639.
 Canant, Orion P. D., 15464.
 Cannon, Edgar A., 35024.
 Cannon, William B., 11574.
 Carrington, Richard T., Jr., 15384.
 Carson, Clarence L., 14127.
 Carson, Russell V., 12520.
 Carter, Robert F., 14297.
 Cartledge, Binford M., 12214.
 Casale, Richard S., 28159.
 Castieberry, Marvin H., 32689.
 Casto, Lloyd L., 14771.
 Catiin, Benjamin S., III, 16304.
 Caton, Edward H., 15681.
 Caylor, William R., 23665.
 Chadbourne, Arthur R., Jr., 34776.
 Chance, James H., 15355.
 Chapman, Roy M., Jr., 16225.
 Chardi, Meriin L., 33734.
 Charlson, William E., 15932.
 Chauret, Colin J. N., 15218.
 Cheadle, Geoffrey, 15830.
 Chesser, Alvin J., 12996.
 Chisholm, Steward J., 33669.
 Christenson, John M., 16021.
 Christian, Harold W., Jr., 15462.
 Christianson, Lyle C., 11477.
 Church, Irvan J., 51089.
 Ciark, Francis B., 34915.
 Ciark, Kenneth B., 22625.
 Clark, Leo J., 50363.
 Clayton, Benjamin H., 33777.
 Clayton, Lawrence L., Jr., 15952.
 Cluninger, Charles R., 13587.
 Cloppas, William P. J., 16431.
 Coggin, Roy J., 33697.
 Coggins, David R., 15987.
 Colby, Eidon N., 33832.
 Coie, Earie M., 51051.
 Coie, Ray M., 15568.
 Coleman, James E., 16195.
 Coleman, Kenneth, 15737.
 Comstock, Harold E., 9104.
 Connolly, Lawrence D., 33810.
 Cook, William J., 34753.
 Coombs, Merle G., 34628.
 Coon, Elmer D., 34119.
 Coons, Richard L., 16039.
 Cooper, Roy D., 10355.
 Cooper, William H., 50394.
 Copeland, Phillips J., 14920.
 Copiey, John O., 32715.
 Cosel, Richard M., 10628.
 Cottingham, William D., Jr., 34562.
 Cotton, Allen B., 14124.
 Cough, James F., 33312.
 Cowan, Harold G., 50304.
 Crabtree, Robert D., 33512.
 Cracken, Louis W., 34920.
 Craig, William L., 16319.
 Crain, Franklin C., 34819.
 Crawford, Ben, 10028.
 Critchlow, David M., 16011.
 Crosland, Roy T., 18167.
 Croyts, Harold S., 15277.
 Cumberpatch, James R., 15876.
 Cummings, Sherman R., 32662.
 Cunliffe, Richard K., 8958.
 Cunningham, Donal B., 13761.
 Curfman, Arden B., 15427.
 Currie, Donald A., Jr., 15491.
 Curto, Domencio A., 15803.
 Cusic, William D., Jr., 15014.
 Czapar, Charles H., 15863.
 Daffron, Thomas A., 51917.
 Daggitt, William E., 33122.
 Dahlberg, Arvid E., 33565.
 Dahlgren, Thomas C., 49244.
 Daiton, William L., 33551.
 Dana, Henry, 50293.
 Daniel, Gariand S., 13591.
 Davenport, Harry E., 34725.
 Davidson, David T., 15759.
 Davis, William C., 16279.
 Dean, John J., 33585.
 Debruler, Henson R., 34846.
 Decoster, James V., 34409.
 Deionga, Peter R., 15567.
 Demont, John V., 15636.
 Dennen, Richard L., 15837.
 Denning, Kemp H., Jr., 15541.
 Devereaux, John M., 32876.
 Diehl, Alfred J., 15461.
 Dietrich, William A., 16351.
 Dingivan, Edward A., 15262.
 Dixon, Floyd E., Jr., 51035.
 Donnell, Carroll H., 50415.
 Doom, Richard C., 22579.
 Dossey, Don E., 33513.
 Dougiass, Waiter A., 14742.
 Dow, Hugh D., 14797.
 Dowless, James R., 34397.
 Downing, Elijah M., 34038.
 Doyle, Richard M., 16203.
 Duke, Daniel F., Jr., 16043.
 Duille, Albert B., 16476.
 Duncan, William G., 34647.
 Duniap, Carl K., 15364.
 Duniap, Thomas J., Jr., 34590.
 Dunn, Ray A., Jr., 15915.
 Eby, Charlie C., 50364.
 Edmunds, Alan C., 15875.
 Egender, Herbert F., 24317.
 Eidson, Roy E., 34441.
 Ekrem, Harvey Z., 12305.
 Ellis, Charles J., Jr., 11537.
 Engel, Gardner W., 51753.
 Esposito, Alfred L., 16278.
 Evans, George G., Jr., 33216.
 Evans, James W., Jr., 15714.
 Evans, Marvin F., 51829.
 Ewell, Robert W., 49265.
 Fairbrother, William H., 15961.
 Fall, Gerald G., Jr., 15794.
 Farris, Stephen A., Jr., 15894.
 Feidman, Albert, 33657.
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 Fender, Francis W., 33824.
 Ferguson, James H., 13801.
 Ferguson, Lucian M., 48739.
 Fernbaugh, Richard M., 15370.
 Ferris, Donald J., 15980.
 Fetty, Randall L., 14979.
 Filipowicz, Eugene A., 34778.
 Fincher, Chelsie R., 34909.
 Findlay, Ralph F., 22631.
 Finke, Eugene, 12351.
 Finnell, Herbert S., Jr., 12263.
 Fish, Howard M., 23704.
 Flister, Merie N., 32629.
 Fitzgerald, Francis P., 26765.
 Fitzpatrick, James C., Jr., 50357.
 Flanders, Robert C., 33480.
 Fleming, Lawrence J., 15459.
 Flinders, Dale J., 34507.
 Flynn, John P., 15760.
 Flynn, Norman C., 12916.
 Fogle, James M., 34916.
 Ford, Geoffrey R., 12183.
 Ford, William L., 51891.
 Foreman, Benjamin A., 34274.
 Forkner, Bob L., 51923.
 Fowler, Frederick W., 50299.
 Fox, Edward J., 14773.
 Fradenburg, Leo G., 50346.
 Francis, Robert L., 34867.
 Franklin, Louie, 14523.
 Franklin, Truman L., 15631.
 Frazee, Malcolm C., 15564.
 Freda, Matthew J., 34748.
 Fredette, Robert R., 34549.
 Freeborn, Andrew W., 50398.
 Frese, Gregory C., Jr., 16244.
 Fritsch, Edward M., 12790.
 Fromm, Robert A., 23679.
 Fuessel, Aloys W., Jr., 33771.
 Fullilove, William C., 15863.
 Gabus, Jack W., 50370.
 Gafford, Grady D., 16030.
 Gailer, Frank L., Jr., 22592.
 Gaines, Edwin F., 14090.
 Gaines, George, Jr., 34834.
 Gaither, John M., 13892.
 Gallagher, Rial F., 20621.
 Gammons, David B., 15297.
 Gareri, Dan J., 15651.
 Garman, George G., 51109.
 Garner, Bob M., 35055.
 Garner, Merritt G., 9928.
 Garreti, Richard C., 35018.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued August 4, 1967
For actions of August 3, 1967
90th-1st; No. 121

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HIGHLIGHTS: Senate committee reported bills to prohibit unfair trade practices affecting cooperatives, make newly acquired farms eligible for cropland adjustment program, and continue dairy indemnity payments. Sen. Mondale and Rep. Feighan introduced and discussed meat inspection bills. Sen. Sparkman introduced and discussed beef export bill.

SENATE

1. **RECLAMATION.** Began debate on S. 1004, authorizing construction and operation of the Central Arizona project. pp. S10733, S10737, S10758-9, S10813-19, S10822-51
2. **BUDGET; TAXATION.** Both Houses received the President's message reviewing the budgetary situation and recommending a temporary 10% surtax on corporate and personal income, a speedup of corporate tax collections, and continuation of excise taxes for the immediate future (H. Doc. 152). To Senate Finance Committee and House Ways and Means Committee. Several House members discussed the

message. pp. S10810-13, H9881-7, H9945

3. COOPERATIVES; DAIRY PAYMENTS; CROPLAND ADJUSTMENT; FARM LOANS. The Agriculture and Forestry Committee reported with amendment S. 109, to control unfair trade practices affecting producers of agricultural products and associations of such producers (S. Rept. 474), and S. 1657, to extend for one year the authority of this Department to make indemnity payments to dairy farmers who are directed to remove their milk from commercial markets because it contains residues of chemicals registered and approved for use by the Government (S. Rept. 476); without amendment S. 2126, to make newly acquired farms eligible for the cropland adjustment program under certain circumstances (S. Rept. 475); and with amendments S. 1550, to provide for release of valueless liens under the Consolidated Farmers Home Administration Act (S. Rept. 487). p. S10745
4. WINE; TAXATION. The Finance Committee reported with amendments H. R. 1282, to provide for withdrawal of wine from bonded wine cellars without payment of tax, when rendered unfit for beverage use (S. Rept. 489). p. S10745
5. LAND REFORM. Sen. Proxmire spoke in favor of land reform in South Vietnam. pp. S10735-7
6. ELECTRIFICATION. Received from the Federal Power Commission a report, "Prevention of Power Failures." p. S10744
7. VEHICLES. Both Houses received from the General Accounting Office a report on its review of policies and practices of selected civil agencies for rebuilding used motor vehicle tires. pp. S10744, H9970
8. FOREIGN AID. Sen. Javits submitted several amendments which he intends to propose to the foreign aid bill. pp. S10759-60
Sen. Cooper inserted an article, "U. S. Assistance to Less-Developed Countries, 1956-65." pp. S10762-5
9. FOREIGN TRADE. S. Con. Res. 38, expressing the sense of Congress regarding the International Antidumping Code, was transferred from the Foreign Relations Committee to the Finance Committee. p. S10760
10. REDWOOD PARK. Sen. Metcalf said the Redwood National Park agreement has dangerous implications. pp. S10768-73
11. FORESTRY. Sen. Bartlett objected to suggestions that the ban on export of logs from Alaska be lifted in order to alleviate the shortage caused by exportation of logs to Japan from other areas. He said the Alaska logs are needed to encourage establishment of permanent industries in Alaska. p. S10778
12. FARM LABOR. Sen. Williams, N. J., recommended collective bargaining for farm workers. pp. S10787-9, S10790-2
13. LEGISLATIVE PROGRAM. Majority Leader Mansfield said he and Minority Leader Dirksen "wish to make a joint announcement to the effect that there will be a recess, on the part of the Senate, from the conclusion of business on Friday, September 1, up to and including Sunday, September 10." p. S10814

Senate

THURSDAY, AUGUST 3, 1967

The Senate met at 10 o'clock a.m., and was called to order by the President pro tempore.

Rev. Howard C. Rutenbar, rector, Christ Episcopal Church, St. Joseph, Mo., offered the following prayer:

Almighty God, we beseech Thee to look with favor upon our land and people. In these times of tension and stress both at home and abroad, make us quick to perceive the needs of all men. Help us to be resolute in purpose to promote good will among all races and creeds. Give us strength to pursue what is right and follow what is true. May we have courage to live responsibly day by day. Forgive us of past wrongs so that we may have reconciliation within our homeland and peace among all nations of the world. And particularly do we commend to Thee this body of men into whose hands we commit the government of our Nation. Grant them integrity of purpose and an unflinching devotion to the cause of righteousness. May all their legislation be such as promotes welfare and justice that the oppressed may be relieved, that all social evils and social wrongs may be put down. And grant, Father of all, that through their deliberations and actions all causes of discontent and strife may be eliminated so that all of this great land can truly experience such love of neighbors and concern for one another's welfare. This we ask in His name who came to bring peace to mankind. Amen.

THE JOURNAL

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, August 2, 1967, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that statements during the transaction of routine morning business be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CENTRAL ARIZONA PROJECT—PRIVILEGE OF THE FLOOR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that during the consideration of S. 1004, the central Arizona project legislation, permission be granted for floor privileges for Edward Weinberg and Mr. Daniel A. Dreyfus, officials of the Department of the Interior.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the following committee and subcommittees be authorized to meet during the session of the Senate today:

The Committee on the Judiciary.

The Permanent Subcommittee on Investigations of the Committee on Government Operations.

The Subcommittee on Employment, Manpower, and Poverty of the Committee on Labor and Public Welfare.

The PRESIDENT pro tempore. Without objection, it is so ordered.

DEPARTMENTS OF LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1968—TRIBUTES

Mr. MANSFIELD. Mr. President, the Senate's consideration yesterday of the measure making appropriations for the Departments of Labor and Health, Education, and Welfare, met with swift and decisive approval. Largely responsible for such an outstanding success was the senior Senator from Alabama [Mr. HILL], the chairman of the Labor-HEW Appropriations Subcommittee. His clear and thorough explanation of the measure, his strong and able advocacy for its provisions and his diligent efforts to bring to this Chamber an appropriations proposal so carefully worked out assured its ready acceptance by the Senate.

Senator HILL is not new to the task of handling highly important legislative proposals—and none could be more important than a measure that funds education, health, manpower, and other programs of such a vital nature. Over the years the Senate has often gained the benefit of his experience and deep understanding. It certainly was demonstrated during the consideration of this measure yesterday. The Senate and the Nation owe Senator HILL a sincere debt of gratitude. It is richly deserved.

The senior Senator from New York [Mr. JAVITS] deserves similarly high commendation for his singularly outstanding contribution to the passage of this measure. He has been assigned the leadership for the minority as its ranking member on the subcommittee. His full grasp of the many facets of this vast funding measure was clearly exhibited. The Senate is most grateful.

The Senate is grateful also for the vital role played by the senior Senator from New Hampshire [Mr. Corron] during the consideration of this measure. His long and abiding interest in this funding measure and the many programs it supports was of great assistance to the Senate. We are most grateful.

Other Senators deserve our thanks. Noteworthy were the cooperative efforts

of the Senator from Oregon [Mr. MORSE]. While offering his own strong and sincere views which, in some respects differed from those of the committee, he in no way inhibited the disposition of this measure. Indeed, no Member of this body has devoted more time and energy to enhance this Nation's education, health, and welfare. The Senator from Oklahoma [Mr. HARRIS] is similarly to be commended. And the efforts of the Senators from Indiana [Mr. HARTKE] and Wisconsin [Mr. NELSON] should be singled out as well as those of the Senators from Massachusetts [Mr. KENNEDY], Michigan [Mr. HART], and Delaware [Mr. WILLIAMS]. Their views are always thoughtful, always most welcome.

So to these and many other Senators we are grateful for joining to assure prompt and efficient action on this measure yesterday. The Senate may be proud of another outstanding achievement.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Under the order previously entered, the Chair recognizes the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I intend to speak on the subject of land reform in Vietnam. Before I do so, I should like to make a brief statement on another subject.

MILWAUKEE SHOWS NATION HOW TO HANDLE RIOTS

Mr. PROXMIRE. Mr. President, on the basis of results to date, it appears that Milwaukee may have taught the Nation a lesson in how to handle the big city riots that have become such a tragic national problem. The Milwaukee riot story is not over. Just last night an additional death was reported and more fires were set.

But on the basis of the number of people killed, the personal injury sustained, the value of property destroyed, Milwaukee seems to be coming through its nightmare far, far better than any other big city in the Nation.

Wisconsin officials deserve great credit for this—and especially does the mayor of Milwaukee, Henry Maier. The mayor acted with great speed to bring overwhelming force to bear in the riot areas.

He swiftly asked for the National Guard, and a very large National Guard force.

And he immediately imposed a painful but remarkably effective 24-hour curfew on the city. Everyone—and I mean everyone—except police, soldiers, firemen, doctors, nurses, and reporters were kept off the streets.

This metropolis of some three-quarters of a million people became a ghost town. Residents could not even go to grocery stores to buy food. It was, and continues to be, a hard, tough measure; it is a big price for Milwaukeeans to pay; but it may be working.

The Milwaukee Police are doing a superlative job, restrained but highly effective. And the illustrious Wisconsin 32d National Guard Division has always been highly efficient.

As I say, Mr. President, the Milwaukee problem is certainly not over. The big job lies ahead.

But the immediate task of establishing law and order, of protecting life and person, of preventing the wanton destruction of property may be on its way to solution far better in Milwaukee than anywhere else in the Nation.

Mayor Maier started planning for just this kind of an outbreak more than a year ago. He secured the cooperation of Wisconsin's State authorities and the Milwaukee Common council; and the moment the riot began, Milwaukee City Hall was poised and ready to act, with a detailed, meticulously organized plan of action.

As I said at the outset, Mr. President, the Milwaukee riot story is far from over, as last night's events show; but here is a situation that deserves the watchful attention of the country and Congress.

Milwaukee will be a demonstration of what happens when a city and State are prepared to act swiftly and decisively with powerful force to meet a riot.

Yesterday, the New York Times carried a biography of Mayor Henry Maier, appropriately entitled "A Ready Mayor." The biography goes a long way toward explaining why Milwaukee's mayor was so well prepared to act and act swiftly and efficiently the instant this riot developed.

The anatomy of the curfew proposed by Mayor Maier and the story of the rapid-fire events leading to the riot are told in an excellent story in the Milwaukee Sentinel. I ask unanimous consent that both articles be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

A READY MAYOR: HENRY WALTER MAIER

MILWAUKEE, Aug. 1.—In his seven years in office, Mayor Henry Walter Maier has become known as an organizer. He has revamped the executive office to make it more efficient. Before he goes before the Common Council with a new program, he has his facts carefully prepared. He requires a detailed report of his staff's activities.

"He is totally organized," a staff member says, "He likes to have everything neat."

This week, when Negroes began rioting in the inner city, Mr. Maier's devotion to organization paid off. Like no other Mayor of a Northern city, Mr. Maier responded quickly with a tough, detailed plan for a curfew written last year. It had the city transformed within hours.

HEADED CITY LEAGUE

A former president of the National League of Cities, Mr. Maier has become known as a crusader for more Federal and state aid to metropolitan areas. He wrote a book, "Challenge to the Cities," last year describing urban problems. He is attempting to get Wis-

consin to revise its laws so that Milwaukee will get a larger percentage of shared income taxes.

A good part of his message declaring Milwaukee's racial emergency was a plea for Federal help.

"Now, as never before, the central cities of America need the full resources of the Federal Government, of their states and of their metropolitan areas to prevent them from becoming urban wastelands," he said.

Mr. Maier maintains that with 98 per cent of the Negroes in metropolitan Milwaukee living in the central city, they are "walled off by the lily white suburbs."

For this reason, he says Milwaukee should not adopt an open housing ordinance. If it did, he says, more whites would flee to the suburbs. The ordinance should be adopted perhaps, on a county basis, he says.

Civil rights groups have attacked Mr. Maier's refusal to back such an ordinance, rejected four times by the City Council. They have also criticized what he calls a "war on prejudice" as an example of tokenism and a "phony, Madison Avenue device."

Mr. Maier proposed the "war" in November, 1965, to educate the public about racial prejudice and what can be done to combat it. The program had been stalled until the council last week approved the first funds for it, \$25,000.

A Democrat, Mr. Maier (rhymes with higher) was elected to the nonpartisan office of Mayor in 1960 after 10 years in the State Senate, seven of them as his party's floor leader. His colleagues presented him with a citation for being the best strategist in the Senate, and this talent was noted in his early years in City Hall.

In those years, Mr. Maier's council was more cooperative and his urban renewal and economic development programs shot ahead. Lately, his opponents have gained control and he may face a tough fight when he seeks his third term next year.

A NATIVE OF DAYTON

Mr. Maier was born Feb. 7, 1918, in Dayton, Ohio, and grew up in Springfield. He came to Milwaukee as a young man and was graduated from the University of Wisconsin in 1964. He went to classes at night during his first term and earned a master's degree in urban affairs in 1964. He and his wife, Mary Ann, have two daughters, Melanie and Melinda.

In City Hall, Mr. Maier projects an image of being a methodical, intelligent and somewhat authoritarian executive. Off duty, he loosens up, fishing often for bass, in the small lakes west of Milwaukee.

"He has," an aide says, "a Bavarian temperament. He likes to chew the fat."

And he excels at the city's unofficial card game, sheephead, a German game played with the upper part of the deck.

"He plays it like he does everything else," a City Hall official says. "He remembers everything, how every card in the 32-card deck has been played."

CURFEW HERE MOST RIGID IN UNITED STATES (By Gene Cunningham)

In a matter of hours Monday, Milwaukee became a blockaded city containing a sealed-off area.

It was the most rigid curfew to be imposed by any of the cities involved in this summer's nationwide outbreaks of rioting.

Armed in advance with a riot control plan, Milwaukee officials assessed the situation, declared a state of emergency and called for national guard assistance in less than five hours from the time the first trouble call came in from the riot area.

Curfews imposed in Newark, N.J., Detroit and other riot torn cities have closed liquor stores, taverns and gas stations and ordered all persons off the streets at night.

Milwaukee's curfew, imposed at 3:40 a.m.

by Mayor Maier, closed taverns, liquor stores and gas stations and ordered all persons off the streets—day and night—until further notice, closing all businesses as a result.

Road blockades were set up. Only doctors, nurses, newsmen and persons involved in emergency services were allowed to enter the city. Inside the city, the riot torn section of the inner core was completely sealed off.

Maier termed the curfew the city's "main weapon" in the prevention of further rioting. He credited it with bringing the situation under control early Monday.

Except for a two hour lifting of the curfew Monday afternoon to allow grocery stores to open, the city was at a standstill Monday.

Milwaukee's speed in calling for national guard troops and imposing its stringent curfew was a result both of the preplanned riot control procedure and the experiences of other riot torn cities.

The riot control plan, a formal outline of steps to be taken in case of civil disorder or emergency was worked out by the mayor's office in co-operation with the governor's staff, civil defense officials and police, a member of the mayor's staff said.

"It involves the consideration of emergency steps from the contacting of the White House and keeping them advised to contacting of the governor," he said.

If the police chief believes a disorder is such that it affects the welfare of the city, he contacts the mayor who evaluates the situation and, if necessary, puts the plan into operation, the staff member said.

One provision of the plan is the maintenance of a "hot line" between the mayor's office and the governor's office in Madison. The line was installed last summer during the picketing and demonstrations in Wauwatosa and has been maintained since then, the spokesman said.

The riot control plan was completed about two months ago and is being followed in the present emergency, the mayor's office said.

Maier issued the following chronology leading up to his declaration in an emergency and the national guard callup:

11:40 p.m. Sunday—He was notified at his home of the riot by James C. Newcomb, his chief administrator.

11:45 p.m.—Newcomb phoned Paul Hassett, Gov. Knowles' chief administrator, and alerted him to the situation.

12:40 a.m. Monday—Maier asked the governor to place the guard on standby alert after he and his staff arrived at their city hall offices.

12:50 p.m.—The White House was apprised of the situation by Alex Le Grand, the mayor's administrative assistant.

1 a.m.—Maier was called by Fire Chief James Moher and told that his department was receiving numerous false alarms and that his men were being stoned.

1:30 a.m.—Police Chief Harold A. Breier called the mayor and said he felt the guard wasn't needed.

1:50 a.m.—Moher asked the mayor to have the guard called out.

2:26 a.m.—Breier asked Maier to call out the guard.

2:27 a.m.—Maier carried out Breier's request and proclaimed a state of emergency for Milwaukee.

3:40 a.m.—Maier held a press conference and announced an indefinite around the clock curfew, which closed all liquor and gasoline dispensing businesses, and limited pedestrian and vehicle traffic only to emergency and essential personnel.

The procedures followed here early Monday were similar to those followed elsewhere, but they were hours or even days faster.

Detroit, where a curfew is still in effect, called for national guard troops near the end of its first full night of rioting, a spokesman for Detroit Mayor Jerome Cavanagh said.

South Vietnam is a land of farmers; almost 12 million of the 16 million people live by the soil. The South Vietnamese farmer cares far more about his land than about the makeup of the government in Saigon. For as long as he can remember, governments have risen and fallen with a regularity almost approaching that of Nature's seasons. He has learned to pay little heed to his government, because no administration has showed any determination to change his lot.

Land reform, of itself, will not magically produce a stable democracy in this ancient land. But without real land reform, I fear that the prediction of the cynics—that our only choice in South Vietnam will come down to options between a dictatorship of the left or a dictatorship of the right—might very well materialize.

If this Nation's experiences since 1945 have taught us no other lesson, we must have learned that social progress is the key to national stability and popular support for governments—and that these are ultimately the most formidable defenses to Communist subversion.

If the tremendous sacrifices in human life and treasure that the people of the United States are willingly making for this tiny nation are worth anything—and I repeat that I believe they are—then they must mean not only political democracy, but social and economic justice as well.

If, at the end of this long and tragic war, we have merely succeeded in proping up one more unpopular, unresponsive, and uncaring regime, then our efforts and our sacrifices will not simply have been futile, they will be mockeries of this Nation and its ideals.

As London Times Saigon correspondent Fred Emery points out:

It may be questioned whether any progress of lasting nature can be expected, in spite of military success, so long as pacification continues without a real revolution in the government's attitude toward land reform.

Absentee landlords are still riding in with pacifying troops, not merely to grab back their lands but to extort back rents for the time they fled the Viet Cong. Senior American officials recognize the problem only too well, and say, rather nervously, that they are hoping the government will shortly come up with a decree abolishing back rents.

Mr. Emery continues:

It remains that an individual may still own up to 100 hectares (247 acres) with other members of his family owning as much again.

Added to this landlords still extort rents as high as 60 percent of the product of a rice field, and it is not hard to see why peasants keep their arms.

Mr. President, the present government in Saigon has title to nearly 1 million acres of undistributed land. Unless and until the Saigon government demonstrates a firm resolve to execute a real land-reform program, all the flights of rhetoric about "pacification" and "social resolution" will continue to be a disgraceful sham.

Let me make it clear: I do not suggest that the forceful implementation of a land-reform program in South Vietnam, alone, will miraculously transform that war-torn country into a stable democracy

or a prosperous nation. But I do say that—without a real program of land reform, honestly and forcefully executed—we will have neither.

CENTRAL ARIZONA PROJECT

Mr. PROXMIRE. Mr. President, I want to speak for about a minute or two on another topic, the subject which is going to be the main concern of the Senate today; namely, the central Arizona project, which is a complex matter, touching on many vital concerns. I would like to address myself briefly to the conservation aspects of the bill.

Last year in the 89th Congress, this bill's predecessor caused widespread concern among conservationists committed to the preservation of our great natural landscape. This was a concern I shared and for which I fought. I felt the construction of two dams in the Grand Canyon would have marred and buried sections of a great natural wonder. Future generations would have criticized us for decimating our landscape.

Today I am pleased and grateful that these two dams have been eliminated from the central Arizona project. I am even more impressed because section 13 of this bill prevents the Federal Power Commission from authorizing construction of a dam downstream from the Grand Canyon. I would have also been happy to see a similar provision for the Marble Canyon dam site, but I understand this was left out pending consideration of an expanded Grand Canyon National Park.

Because this Marble Canyon area is still in danger, I feel it imperative that we in Congress act to meet the need for an extended and expanded Grand Canyon National Park. S. 1004 does not fully protect this area, and following its consideration, we will hopefully move on to create a more complete Grand Canyon National Park to solve these important conservation needs.

MORAL CONSIDERATIONS ALSO COMPEL SENATE RATIFICATION OF HUMAN RIGHTS CONVENTIONS—CXII

Mr. PROXMIRE. Mr. President, as I rise once again today to urge the Senate to give its advice and consent to the Human Rights Conventions on Forced Labor, Freedom of Association, Genocide, Political Rights of Women, and Slavery, I believe it is good to recall that these are not merely legal documents, but also profoundly affirmative moral statements.

The moral dimension of our foreign policy has long been recognized and traditionally acknowledged by our practices. In recent years, for example, we have advanced proposals for strengthening U.N. procedures in the field of human rights. We have spoken out clearly against specific violations of human rights in different parts of the world. And, most important of all, we have earned widespread respect from other nations for the dedicated manner in which we have set about eradicating discrimination and injustice in our society.

We thus find in our past and present practices implicit affirmation of human rights.

As I have tried to emphasize before: our national interests and international responsibility compel us to ratify the Human Rights Conventions. Twice in the lifetime of many of us, the United States has been forced into world wars. Twice we watched helplessly while unchecked domestic oppression grew into unprovoked foreign aggression. Aggression since 1945 has been the exclusive practice of those regimes which first deprived their own citizens of basic human freedoms. Human rights and peace are intimately related and historically interdependent. When the human rights of any people are threatened, peace itself is threatened.

Peace and freedom are the fundamental objectives of this Nation's policies. Let us never fail to recognize that the world looks to us not merely as an arsenal of weapons and a storehouse of commodities, but as a society committed to the promotion of the dignity of man. This country was founded on the basis of ethics and morality, and we betray our heritage if we fail to state our case in moral terms.

Our most fundamental question is not "How much artillery?" or "How many men?" It is rather "To what purpose?" And for this the world awaits an answer—an answer that we have thus far failed to provide in the ratification of the Human Rights Conventions.

Let the Senate move positively toward both peace and international securing of human rights by ratifying the Treaties on Forced Labor, Freedom of Association, Genocide, Political Rights of Women, and Slavery.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

THE AMERICAN HIGHWAY SYSTEM—ITS CONSTRUCTION AND SAFETY

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia [Mr. RANDOLPH] is recognized for 30 minutes.

Mr. RANDOLPH. Mr. President, when the 90th Congress convened last January, Members of the Senate and the House of Representatives were understandably concerned over the action of the President of the United States in cutting back on the highway program for fiscal year 1967.

This concern was testified to by speeches in the Senate and the House, by the communications from the chief executives of the many States, and by

correspondence with individual Senators and the public generally.

I recall more than 60 Senators indicating to me personally that they had received correspondence opposing the action of the President in withholding trust funds set aside for the construction of the highway system of the United States.

The funds withheld by that executive action amounted to \$1.1 billion.

In light of this, I think it is important for us to consider the action of the House of Representatives approximately 2 weeks ago. In a move ostensibly designed to reduce pressures on the general fund—I repeat, on the general fund—that body adopted a 5-percent cut in the appropriations for fiscal year 1968 for the Department of Transportation. The budgetary implications in the House are not my concern as I speak today. That which does concern me, however, is that this unselective—I use that word advisedly—reduced expenditures from the highway trust fund by 5 percent. In so doing, \$189 million in actual cash was removed from the highway appropriations portion of the bill to which I have directed our attention.

The gross effect on this area of the total Transportation Department reduction will be to postpone the obligation of \$1.2 billion of highway funds. This impact on our highway construction effort—which, I emphasize, has no relation to the general fund—will be in the nature of a withdrawal of a commitment of the Congress to the highway program as it is now in effect.

We now face serious underfinancing of our highway program and these delays, and further delays, compound the problem of maintaining an orderly development of the highways of our Nation.

All of the arguments which were presented in January of this year against the Presidential cutback order of November 1966, including those which were presented by me, when I addressed myself to that subject on January 23, hold true today with respect to the action of the House, in regard to the cut in the appropriations for the Transportation Department in connection with the highway program.

House sponsors and supporters of this 5-percent across-the-board cut in general fund expenditures are reported to have said that they did not intend to bring about the result which was the natural consequence of the implied and inherent amendment offered by Representative LAIRD, of Wisconsin. However, that may be, I urgently request the members of the Senate Appropriations Subcommittee handling the Department of Transportation appropriation to recommend a restoration of at least the full amount of the budget request.

I have been informed that the Federal Highway Administrator, Lowell Bridwell, will make a request for such action of the Senate Subcommittee on Appropriations in his testimony before them today.

The effect of the House-passed reduction on our economy, as well as on the progress and the success of our highway program, would be most severe. Its po-

tential impact on many people in the private sector—contractors, suppliers, and labor—as well as its impact on State highway programs would be too great for us to permit this action to go unchallenged. It is unfair for this situation to come about at this time. It is my belief that we need to have it corrected as quickly as possible.

I invite my fellow Senators to join me and the Senator from Kentucky [Mr. COOPER], the ranking minority member of the Committee on Public Works, and the Subcommittee on Roads, as we work with the Appropriations Subcommittee and others in this body seeking the restoration of these funds for highway development and construction.

Mr. President, another matter which is also of vital significance is the action of the House Appropriations Committee, as ratified later by the House of Representatives, in reducing the appropriations for carrying out the highway safety program from the \$100 million requested in the budget to the \$20 million proposed by the committee, and the \$19 million approved by the House.

We recall that it was only last year that Congress adopted the Highway Safety Act—a measure designed to bring into being a full-scale Federal, State, and local government program to wage a massive and, we hope, effective action to prevent the destruction of life and the loss of property on the highways of this Nation. We have held hearings on this subject in our Subcommittee on Roads within the past 10 days or 2 weeks. During that time, we have heard testimony on the program being conducted pursuant to the Highway Safety Act. It is a measure of broad interest to the people of this country.

I think it is a sad commentary on our times that a wounded soldier or marine in Vietnam has a better chance of survival than the victim of a highway accident in the United States.

I certainly believe that the expenditure to support our troops in Vietnam is a necessary one. We want them to have as great a chance of receiving prompt medical treatment and surviving injuries in the jungles, the mountains, and the rice paddies as possible. But I question the thinking behind these expenditures devoted to saving lives, if at the same time Congress refuses to appropriate the funds necessary to carry out what is perhaps the most meaningful domestic safety program which has yet been conceived.

Every year we suffer many more fatalities upon our highways than we do upon the battlefields. I am committed to any course of responsible action, and to the necessary appropriation therefor, which will reduce casualties on the battlefield, and on the highways as well. The appropriation of the \$100 million requested by the administration to carry out the highway safety program is small in comparison to the economic destruction and human distress which come from accidents, which result in approximately 52,000 deaths annually, and the maiming of additional thousands of men, women, and children, on the roads of

this country. I repeat that figure: The death toll is 52,000 annually, with many more thousands injured and maimed.

I recognize that we must examine and reexamine our expenditure priorities at a time when there are greater demands on the general fund than can be met by it. But I know of no program which is more capable of reducing human suffering more, and make a greater return on the dollars invested, than the meaningful and effective highway safety program which has been written into law, and which now needs the dollars to make it work.

The Subcommittee on Roads of the Committee on Public Works recently completed hearings reviewing the activities of the Department of Transportation in connection with the Safety Act which we passed in 1966. We heard Federal, State and local officials describe the beginnings of this promising program. Now to have the program summarily stopped would, in a sense, be illogical, and would seem to me to be a tragedy of the era of mobility in which we live. If by failing to underwrite it we cause delay in the highway safety program, it could only be because we do not see the urgency of the need. I believe that if all Members of Congress, certainly all Senators, were fully apprised of the situation, we would respond with the necessary funds.

The highway safety program, like the highway construction program, we must remember, is a joint effort of the States and the Federal Government. We have urged, and in some degree we have required, that the States undertake safety programs under penalty of losing 10 percent of their highway funds if they do not comply. We have asked the States to obligate the expenditure of large sums of money to match the Federal funds which everyone expected that Congress would make available.

Our action on appropriations will create the environment in which this program can be carried forward. If we commit ourselves to the need for urgent action, the States and the communities involved will, I think, respond accordingly. If we do not restore these funds, and the program is forced to function at the reduced level of the appropriations provided by the House of Representatives, then the States and the local communities will be correct in assessing the congressional view of this program as one which can wait for another day; and until that day, there will continue to be casualties, which currently mount to the total of approximately 52,000 killed during a 12-month period.

I do not believe that that is the sense of the Members of Congress; and we must reverse that action.

It is our obligation to restore these funds for carrying out the highway safety program and to restore the full appropriations for highway construction. Money for construction is now in a trust fund earmarked for that purpose—cash in hand, and not money which would be drawn from the general fund. It is our obligation to restore these funds so that the actual and implied promises made to the States by Congress will be

A recent letter from Mr. Charles Bell, vice president for administration of the Hilton International Hotels, contained the following report:

Hilton International has indeed expanded its exports (of American quality beef). In addition to the ton-to-ton and a half per week we are shipping to Paris (the Le Western restaurant), we are now shipping approximately the same quantity to the "Maison du Boeuf" restaurant of our new Brussels Hilton Hotel.

In addition to the shipments to Paris and Brussels, Hilton International is supplying one ton and more to our hotels in Rotterdam and Amsterdam and has just shipped off almost 10,000 lbs. of beef ribs to the Hong Kong Hilton.

Sample shipments have also been sent to the Royal Teheran Hilton and we anticipate steady ordering from that hotel.

These initial export movements are small, but significant. They constitute the first commercial export shipments of U.S. quality meats in nearly 50 years.

For that period of time American steaks, roasts, and hamburgers have not been available on the European Continent. The beef which is eaten there is veal and meat from older dairy cows, produced as a byproduct of the dairy industry, supplemented by imports of grass-fed beef from South America and elsewhere.

The growth in exports in American variety meats demonstrates the desire to upgrade beef consumption in Europe. In 1951 our variety meat exports were virtually zero. Now they are about 10.3 percent of American production and return \$75 million to the American industry. It seems to the committee that this is an indication of the speed with which a similar trade might develop for other American meat products.

Looking at the other side of the picture—the ability of the American cattle and beef industry to furnish these products—we find that this country produces about one-third of all the world's beef. With by far the largest "productive platform," our industry is in a position to consider servicing the large import gaps now arising in places such as Western Europe.

It is well known that cattle constitutes a vital crop for the farmer in practically every State of the Union. Sales of livestock bring in nearly one-third of all farm income, with cattle accounting for about one-quarter. Thus, any success that we might have in developing export markets is likely to have wide benefits throughout the country as well as in our seacoast States, and can have also significant balance-of-payments advantages.

The bill which I introduce today proposes to assist our industry to explore and develop these markets.

It would establish an annual conference at which high Government policymakers, together with the industry leaders, would review and analyze world supply, demand, and trade in beef products.

This conference would be planned, organized, and conducted under the direction of two cochairmen: one from the Government side, appointed by the Secretary of Agriculture, and the other designated by industry.

The committee does not envision that this conference will result in the crea-

tion of any permanent commission or agency or would require the hiring of additional Government employees. Preparation of the conference would be in the regular course of business of the government departments concerned with exports and imports of meat products and the welfare of the industry that furnishes these fine products to our own people.

In this connection, the committee was concerned during its investigation when it learned of the low-profit margins which seem to persist and to characterize our domestic cattle industry. These conditions are reflected on the following table financial rates on ranch income, placed in the committee's May 1966 hearing record at the committee's request:

AVERAGE RETURN FOR BEEF CATTLE OPERATIONS, 1957-64

	Northern Plains	Inter-mountain	Southwest
Net ranch income.....	\$6,482	\$6,127	\$6,179
Percentage return on investment.....	1.75	1.83	.71

On the basis of this information the committee's report recommends that the Department of Agriculture should present its assessment of the structural difficulties and low profit margins, which affect the full participation of the industry in both domestic and foreign markets, and should take the initiative in organizing a response to these problems.

This conference proposed by the committee will provide an opportune occasion for the Department to focus its efforts in this regard. It would also allow the Department to proceed with the program recommended by the committee to provide effective assistance to businessmen who wish to export, regardless of size or previous experience in international trade. The Department carries on successful cooperating programs as to many other products and the committee feels that the time has arrived for a similar sustained effort to be made in this commodity area.

Another section of this bill would also have the Department of Agriculture publish each year an authoritative report giving information on world supply, demand, and trade in beef products. This would be available 30 days prior to the conference and could serve as a basis for discussion.

It is my feeling that that the holding of such a conference would give the experienced and trusted leaders of industry and the Government an opportunity, on a regular basis, to discuss the potentials and problems of international trade which deeply affect this important segment of our economy. These deliberations would be instructive and might be helpful in arriving at the practicable solutions to the problems which have beset the cattle industry in recent years.

The committee has also included in the bill a provision on foreign trade restrictions. This proposal was formulated after careful study, which concluded a special hearing held by the Senate Small Business Committee jointly with the Senate Agriculture and Forestry Committee on September 9, 1965. The com-

mittee also solicited the opinions of businessmen throughout the country. In examining the patterns of agriculture in Europe, we become aware of the fact that restrictions which might be in the interest of only one or two countries could keep an entire group of countries from enjoying the benefits of the high quality and modest cost of American meat products. Such restrictions on our products could be imposed despite any economies of production, transportation, or distribution that our industry might be able to achieve.

The detriments of such a policy go far beyond the realm of increasing the pleasure and the health of European consumers and their families. It is the opinion of the Committee on Economic Development that most Europeans would stand to suffer from such restrictions in the following ways: consumers would pay higher prices, for which they would realize less in the way of food value, internal resources in Europe would become committed to uneconomic uses, labor shortages would be intensified, and the higher prices of food would be reflected in the cost of manufactured goods and services across the entire economy. The committee's report endorses this analysis.

As a consequence, the committee feels justified in stating that there would be wide support for the full use of powers made available by the Congress in the Trade Expansion Act in the event of undue protectionism as to this commodity. It has thus recommended that the President make full use of the powers on impose sanctions with respect to those countries who are obstructing trade in beef products in their own interest.

In the Congress, we shall continue to do all we can to further the development of export as well as domestic markets and the capability of the small and large American businessmen in the beef industry to participate fully in them.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2226) to provide for an annual conference between representatives of the beef industry, the Secretary of Agriculture, and representatives of other departments and agencies of the Federal Government to consider problems relating to the export of beef and beef products from the United States and related international trade problems, and for other purposes, introduced by Mr. SPARKMAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

AMENDMENT TO THE FEDERAL POWER ACT

Mr. TYDINGS. Mr. President, I introduce, for appropriate reference, a bill to amend the Federal Power Act to provide for regulation of the construction of electric power transmission lines near national parks, forests, historic sites, and other similar areas, in order to preserve the historical, recreational or scenic character of such areas. This bill is identical to H.R. 11809 which Representa-

tive Reuss introduced in the House on July 26, 1967.

At the present time nothing prevents a public utility in many States from ravaging the beauty of our national parks and historic sites with electric transmission towers. In many States, power companies have blanket power of condemnation for their powerline rights-of-way, without review by Federal, State, or local authorities. This is an intolerable situation which the Congress should rectify.

In my own State, the Potomac Edison Power Co. is planning to build a series of huge transmission towers adjacent to the historic Civil War battlefield of Antietam in Washington County. Future visitors to Antietam, scene of the bloodiest battle of the Civil War, will have no trouble locating Gen. Robert E. Lee's first northern invasion route: it will be highlighted by massive steel girders and electric powerlines. The desecration of this historic landmark will be a national tragedy.

I have spoken out frequently against Potomac Edison's utter disregard for the national interest in the proposed location of its towers. So have local citizens' groups, as well as the Commissioners of Washington County, the Washington County Planning and Zoning Commissions, and Secretary of the Interior, Stewart Udall.

Under present law, however, our combined opposition may be futile. No one can prevent Potomac Edison from desecrating Antietam if it chooses to do so.

Thomas Jefferson once wrote that "the earth belongs in usufruct to the living." A nation which neglects its natural beauty and its national heritage bequeaths a sterile estate to its future generations. It is sheer folly to leave the safeguarding of this beauty and heritage to the whim and convenience of the public utilities.

The bill I introduce today will rectify this intolerable situation. Public utilities will be prohibited from constructing power facilities adjacent to land which has been determined by the Secretary of the Interior to have a national, historic, recreational, or scenic value to the people of the United States, unless the Secretary of the Interior determines that such construction is consistent with the national interest. The Secretary would be required to hold hearings prior to his decision, at which all interested parties would have the opportunity to testify.

This bill places responsibility for the safeguarding of our national landmarks in the hands of the proper Federal authorities, instead of entrusting that responsibility to the public utilities. Although it in no way preempts existing or future State regulation of such rights-of-way, the bill will prevent public utilities from defacing our national parks and historic landmarks in the manner in which Potomac Edison plans to deface Antietam.

An editorial in the Washington Post on July 29 condemned Potomac Edison's planned construction and supported this bill to correct this intolerable situation. Mr. President, I ask that this editorial and a copy of the bill be printed in the RECORD at this point.

The editorial, presented by Mr. TYDINGS, is as follows:

RAW POWER

In this era of concern about land use and proper planning, it seems almost unbelievable that an electric company can pick any route it wants for a power transmission line regardless of the views others may have. But that is the situation now being highlighted by plans of the Potomac Edison Company to build a 110-foot high power line through Western Maryland's Potomac Valley. No one—property owners, local governments, the State of Maryland, the Federal Government—is happy about the route except Potomac Edison. But, under the law, no one but Potomac Edison counts because it has unlimited powers of condemnation.

Delegate Lowe was right in describing what is going on in Western Maryland as "a blatant example of raw power when a public utility can be so powerful as to ignore the wishes of county, state and Federal government." And Delegate Lowe is in a position to see that situations like this do not occur in the future. As a powerful member of Maryland's House of Delegates, Mr. Lowe can urge that body to withdraw the blanket power that public utility companies now have in Maryland and to require that the location of such blights on the landscape as power lines be subject to review by a state agency.

Congress can also do something about situations like this one. There is often a Federal interest in the location of interstate power transmission lines since such lines have an affinity for park areas. Congress should seriously consider the bill introduced this week by Representative Reuss to give the Secretary of Interior power to review the location of these lines.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and editorial will be printed in the RECORD.

The bill (S. 2227) to amend the Federal Power Act in order to provide for regulation of the construction of electric power transmission lines near national parks, national forests, national historic sites, and certain other areas in order to preserve the historical, recreational, or scenic character of such areas, introduced by Mr. TYDINGS, was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 2227

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part II of the Federal Power Act (16 U.S.C. 824-824h) is amended by adding at the end thereof the following new section:

"REGULATION OF TRANSMISSION LINES NEAR CERTAIN FEDERAL LANDS

"SEC. 210. (a) Within one hundred and eighty days after the date of enactment of this section and from time to time thereafter, the Secretary of the Interior shall, after consultation with appropriate officers, departments, and agencies of the United States, publish in the Federal Register a description (by metes and bounds) of lands and waters adjacent to lands owned by the United States which lands of the United States are determined by the Secretary of the Interior to have a historic, recreational, or scenic value to the people of the United States and which could be adversely affected by the construction of power transmission lines or associated facilities on such adjacent lands or over such adjacent waters.

"(b) No power transmission line or associated facility used or to be used for the transmission of electric energy or the sale of

electric energy at wholesale in interstate or foreign commerce may be constructed on any lands described in the Federal Register pursuant to subsection (a) of this section, unless the Secretary of the Interior after notice and opportunity for a hearing determines that such construction would be in the public interest and grants a certificate permitting such construction."

SEC. 2. Section 201(f) of the Federal Power Act is amended by striking out "No provisions" and inserting in lieu thereof "Except as provided in section 210 of this part, no provision".

INVESTIGATION OF RECENT ACCIDENTS INVOLVING THE ARMED FORCES IN SOUTHEAST ASIA

Mr. SCOTT. Mr. President, I submit a resolution authorizing and directing the Committee on Armed Services to conduct a thorough investigation into the circumstances surrounding the recent disaster involving the U.S.S. *Forrestal* and similar tragic accidents in the Southeast Asian war zone which have taken a heavy toll of lives of American military personnel. My resolution directs the committee to report the results of its investigation together with such recommendations for corrective action as it deems appropriate within 90 days after the approval of the resolution.

I ask unanimous consent that the text of my resolution be printed in the RECORD.

The PRESIDING OFFICER. The resolution will be received and appropriately referred; and, without objection, the resolution will be printed in the RECORD.

The resolution (S. Res. 153) was referred to the Committee on Armed Services, as follows:

S. RES. 153

Whereas a fire aboard the United States Ship *Forrestal* has taken a tragic toll of lives of United States military personnel and has therefore adversely affected the accomplishment of the mission of United States Armed Forces in the Southeast Asian zone of hostilities; and

Whereas previous fires aboard the United States Ship *Oriskany* and the United States Ship *Franklin D. Roosevelt* have taken an equally tragic toll of human life and material; and

Whereas some of the sophisticated weapons and equipment utilized by United States Armed Forces have been associated with incidents, accidents, failures, and malfunctions leading to loss of life and property: Now, therefore be it

Resolved, That the Committee on Armed Services is authorized and directed to make a full and complete study and investigation of the causes of incidents, accidents, failures and malfunctions relating to the use of sophisticated military weapons and equipment in the Southeast Asian zone of hostilities.

SEC. 2. The Committee shall report to the Senate the results of its study and investigation, together with such recommendations for legislation or other action as it deems appropriate, not later than 90 days after the adoption of this resolution.

CENTRAL ARIZONA PROJECT ACT—AMENDMENTS

AMENDMENTS NOS. 234 TO 237, INCLUSIVE

Mr. ALLOTT submitted four amendments, intended to be proposed by him, to the bill (S. 1004) to authorize the con-

struction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes, which were ordered to lie on the table, and to be printed.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENTS

AMENDMENTS NOS. 238, 239, AND 240

Mr. JAVITS. Mr. President, I have noted with dismay what is in effect the carving up of the foreign aid bill by the Senate Foreign Relations Committee. The committee's majority decision to cut deeply into our economic aid program is not the way to give the Senate a more decisive role in determining the direction and philosophy of our foreign policy. These actions are, I feel, gravely incompatible with the highest policy considerations which should control our foreign affairs.

I emphasize that what I speak of does not really involve money. What really has happened is that the program is being gutted in respect of authorizations and conditions rather than of money.

I am particularly concerned about the \$65 million cut in the funds requested for the Alliance for Progress; the drastic limitations placed on the vitally important extended risk investment guaranty program; and the \$33 million reduction in technical assistance to increase food production in developing nations.

What is really critical is the drastic limitation being placed on vitally important guarantee programs and other programs dealing with private enterprise and foreign aid.

The economic aid portion of our foreign aid program will be so eroded by the restrictions and cuts of this bill—if they are allowed to stand—as to make a fundamental change in the U.S. policy on foreign aid in effect since 1947. Just as many in the Senate object that the President is running away with the responsibility for foreign policy and leaving out the Senate, let us not allow a spirit of retaliation to creep in unwittingly, which can only harm the country, by unilaterally and basically revising our foreign aid policy under the guise of cuts and restrictions.

It is a fact that as long as poor nations constitute a majority of the world population we will not be secure. We cannot withdraw from the world for our power makes us a decisive part of it. Foreign aid—a fractional part of our budgetary expenditures—is a key element in closing the growing gap between the industrial and developing nations of the world and let's face it, it is likely to remain a part of our foreign policy for some years to come, in one form or another.

Even if the entire \$2.7 billion foreign economic aid program for fiscal year 1968 was eliminated tomorrow and was added to domestic programs it would be but a relatively small contribution in solving our domestic social problems.

If we in the Senate are ready to deal with our unresolved urban problems—as we are dealing with the Vietnam war—then let us devise an effective strategy and vote the required funds and stand up to the financial responsibility it implies.

It is amazing to me that one of the most successful parts of the foreign aid program—private enterprise participation—is the very element of it the hardest hit by restrictions and cuts.

Let me assure the Senate that I am fully aware that this is not considered to be a popular program now. It is nice to be popular, too, but it is our primary duty to give the country intelligent leadership.

Accordingly, I am submitting today amendments which I intend to propose during the coming debate on the foreign aid authorization bill.

Mr. President, I send my amendments to the desk and ask unanimous consent that the amendments be printed in the RECORD.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments, submitted by Mr. JAVITS, are as follows:

AMENDMENT No. 238

In section 104 of the bill, as reported, strike out the committee amendment to section 221 (b) of the Foreign Assistance Act of 1961 and insert in lieu thereof the following:

"() Section 221 (b) of the Foreign Assistance Act of 1961, as amended, which relates to authority for investment guaranties, is amended as follows:

"(1) In the proviso to paragraph (1), strike out '\$7,000,000,000' and substitute '\$9,000,000,000'.

"(2) In the third proviso to paragraph (2), strike out '\$375,000,000' and '\$215,000,000' and substitute '\$575,000,000' and '\$415,000,000' respectively.

"(3) In the last proviso to paragraph (2), strike out '1969' and substitute '1971'."

AMENDMENT No. 239

In section 106 of the bill, as reported, strike out the committee amendment to the first sentence of section 252 of the Foreign Assistance Act of 1961 and insert in lieu thereof the following:

"() In the first sentence (1) strike out 'and for each of the fiscal years 1968 and 1969, \$750,000,000' and substitute 'and for the fiscal year 1968, \$643,000,000', and (2) strike out '\$100,000,000' and substitute '\$110,000,000'."

AMENDMENT No. 240

In section 103 of the bill, as reported, strike out the committee amendment to section 212 of the Foreign Assistance Act of 1961, and insert in lieu thereof the following:

"() Section 212, which relates to authorization, is amended (1) by striking out '1967' and substituting '1968', and (2) by striking out '\$210,000,000' and substituting '\$243,000,000'."

Mr. JAVITS. Mr. President, my amendments would accomplish the following:

First, to restore AID's authority to give extended risk guaranties up to 75 percent of investments for purposes other than housing.

Second, to increase by \$200,000,000 AID's authority to issue extended risk guaranties—from \$375,000,000 to \$575,000,000. This involves no money, as our loss ratio in these matters does not involve the need for appropriations.

Third, to extend AID's authority to give extended risk guarantees from the present, June 30, 1969, to June 30, 1971.

You cannot possibly hope to curtail a program such as this without it suffering very badly, because much advanced planning is necessary.

Fourth, to increase AID's specific risk guaranty authority by \$2 billion—from \$7 billion to \$9 billion. The only two money restorations I speak of; and I emphasize that the major factor here is authority rather than money, and this is very important in making our system work the best for the things we wish to do.

Fifth, to restore the \$65,000,000 cut from AID's appropriations request for the Alliance for Progress for fiscal year 1968—from \$578,000,000 to \$643,000,000. I believe this is a very ill-advised time to make the Latin Americans believe that we are not doing all we can with them. The situation in Latin America is very tenuous, as everyone knows.

Sixth, to restore the \$33,000,000 cut in technical assistance funds in AID's appropriations request for fiscal year 1968—from \$210,000,000 to \$243,000,000. This is specifically for the purpose of increasing food production. I can think of nothing which would be more constructive and which would have greater leverage than increasing the amount from \$210 million to \$243 million.

I call attention to the fact that the amendments which I have suggested are fully supported by the action which the House Foreign Affairs Committee took yesterday.

In the Nation's interest, this battle should not be over until the Senate has had the opportunity to work its will. As one Senator, I propose that the Senate be given that opportunity.

Mr. President, I ask unanimous consent that an editorial published in the New York Times of July 30, 1967, and an editorial that appeared in the Washington Post on the same day, bearing out this position, be printed in the RECORD as part of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 30, 1967]

BUTCHERING FOREIGN AID

In this year of skyrocketing Vietnam war costs and serious domestic problems it was inevitable that politics would supersede statesmanship in Congressional handling of the Administration's modest \$3.5-billion foreign aid bill.

The Foreign Relations Committee has butchered the aid measure in a wholesale manner that reflects more spite than selectivity. The committee slashed the total request by more than 20 per cent to an all-time low of \$2.5 billion for military and economic aid combined, and introduced a string of restrictions that will seriously inhibit the Administration's freedom to spend what money it eventually gets.

This is not to suggest the committee members had no cause to be disgruntled about some of the uses to which aid has been put. The manner in which military aid has been dumped into some developing countries, undermining economic efforts and helping to fire dangerous and costly local disputes, is certainly open to question.

But many of the cuts and restrictions—such as a \$33-million cut in technical assistance and reductions in development loan and Alliance for Progress funds—do not make sense in the light of deteriorating conditions in many of the poorer countries and

of this nation's vital interest in a world of peaceful economic and political development.

It can only be surmised that Senators who have traditionally supported aid are using this bill as a whipping boy to vent their ire over Administration policies in other areas, namely Vietnam. It would be more logical for them to vote against measures directly related to the Vietnam war rather than to attack a program that, on the whole, represents an enlightened attempt to prevent future Vietnams.

[From the Washington Post, July 30, 1967]

VICTIMIZED BILL

The foreign aid bill, in its passage through the Senate Foreign Relations Committee, had to bear a heavy burden of national and senatorial skepticism in concern. The country's immense frustration over Vietnam was piled on, and its perennial doubts about what good has been accomplished were sharpened by the Mideast war. Then there was the questioning of national priorities induced by the summer's riots. A congressional urge, bordering on desperation, to keep from being overrun by Executive initiative became part of the load, and so did senatorial pique at discovering that the Administration had been making furtive arms loans through the Export-Import Bank.

So it was shocking, but perhaps not so surprising, that the Foreign Relations Committee, which has known the reputation of being a bastion of intelligence, responsibility and the long view, should whack \$740 million out of the foreign aid authorization bill. This was about 23 per cent and it came out of a bill already pared in anticipation of the congressional knife. One might have hoped the Committee would mark up the bill with an eye to the United States' continuing interest in a more stable world and that it would not have fallen prey to the anxieties and irritations of the day. But, unfortunately, this was not so.

The military cuts are one thing. Rightly or wrongly, the Administration has seemed to be spreading arms loosely around the world. This impression was only confirmed by revelation of the backdoor usage of the Eximbank to sell poor countries expensive arms. That the United States has sold weapons to several sets of countries which have warred against each other is another disturbing anomaly suggesting the need for more care.

But the economic cuts are another matter. Latin America's revolutionaries are about to meet in Havana to decide how to create "more Vietnams," and the Senate Committee reduced the Alliance for Progress authorization by \$172 million. By far the most urgent task of the underdeveloped world is to grow more food, and the Committee cut some \$33 million from this account. Private investment is a vital lever in many foreign countries, and the Committee backed off from a promising insurance program designed to attract more of it.

The Administration deserves a measure of blame for the blows inflicted on the foreign aid program. But a responsible Congress would not make the national interest pay for the miscues of the Administration. The United States pays a pathetically small share of its national income for foreign aid; this share goes into programs which, to be effective, must be continuous. To cut back foreign aid sharply and erratically is to lose much of its effect. Fortunately, the House Foreign Affairs Committee, and then the Senate, have the chance to undo the damage done so far.

ADDITIONAL COSPONSORS OF BILLS

Mr. JAVITS. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Wisconsin [Mr. PROXMIRE] be added as a

cosponsor of the bill (S. 2000) to amend title IV of the Housing Act of 1950 to authorize annual grants to reduce the cost of private borrowing by educational institutions as an alternative form of assistance to the direct college housing loans presently provided for.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, on behalf of Mr. HARTKE, I ask unanimous consent that, at its next printing, the name of the Senator from South Carolina [Mr. HOLLINGS] be added as a cosponsor of the bill (S. 1726) to amend the Antidumping Act, 1921.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHANGE OF REFERENCE

Mr. SPARKMAN. Mr. President, on behalf of the chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], I ask unanimous consent that that committee be discharged from the further consideration of Senate Concurrent Resolution 38, expressing the sense of the Congress with respect to the International Antidumping Code, and that it be referred to the Committee on Finance.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The VICE PRESIDENT. The Chair appoints the following Senators to attend the 11th session of the General Conference of International Atomic Energy Agency, to be held at Vienna, Austria, on September 26, 1967: PASTORE and HICKENLOOPER.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. COOPER:

Statement of Dr. William Haddon, Jr., Director, National Highway Safety Bureau, Federal Highway Administration, Department of Transportation, before Subcommittee on Roads of the Committee on Public Works, July 18, 1967.

By Mr. BYRD of Virginia:

Editorial entitled "Our Asian Allies," published in the Charlottesville, Va., Daily Progress, of August 1, 1967.

By Mr. THURMOND:

Article entitled "Good Riddance," published in the State, Columbia, S.C., July 29, 1967.

Article entitled "Cuba Parley Advocates Racial Guerrillas in United States," published in the Washington Evening Star, of July 31, 1967.

Editorial entitled "The North Meets the Outsider," published in the Allendale County Citizen, Allendale, S.C., July 27, 1967.

SENSELESS DESTRUCTION IN THE NAME OF CIVIL RIGHTS

Mr. LAUSCHE. Mr. President, an editorial scoring our present internal dis-

orders, written by Harry Yockey, appeared in the July 29, 1967, edition of the Dover, Ohio, Daily Reporter.

I concur fully in the thoughts expressed in this editorial.

America has had enough of the blatant lawlessness perpetrated by a small minority of its citizens.

"It is time for every American, who loves his country, to give sober thought to today's conditions and to weigh how he might correct them," affirms Mr. Yockey.

The editorial concludes with the assertion:

The time for talking is past. The times demand action, the kind of action that will eradicate the spoilers, establish equal rights on a sound and sensible plateau and bring harmony to a nation that has grown and prospered on a foundation established on life, liberty and happiness.

Mr. President, I ask unanimous consent that Mr. Yockey's editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENSELESS DESTRUCTION IN THE NAME OF CIVIL RIGHTS

America has had enough of senseless life taking and wide spread property destruction in the name of civil rights.

America has had enough of the loud-mouthed, brazen exhorters who incite blind followers to shoot, burn and loot.

America has had enough of H. Rap Brown, who said "We'll burn the country down, honkies (whites) and all."

America has had enough of Stokely Carmichael, who was quoted from Havana as saying "we applied war tactics of the guerrillas in Newark and we're preparing groups of urban guerrillas for our defense in cities."

America has had enough of Adam Clayton Powell, who yells from his Bimini retreat that "riots are a necessary phase of the black revolution" and that there will be other upheavals unless Negroes are nominated to Congress "by September."

America has had enough of those who demand that they receive, scot-free, housing and other common necessities which others earn through hard work.

America has had enough of the unqualified and their commands for equal employment simply because of color.

America has had enough of the politicians including President Johnson, who try to make hay by placing the blame for the uncontrolled rioting and burning on each other.

America has had enough of national legislators who apparently would rather vote millions in tax money for "disaster relief" than incur the wrath of some voters and enact laws that, in no uncertain terms, will curb racists.

America has had enough of the congressional reticence in approving a gun control law aimed at preventing the "guerrillas" from arming themselves so they can wage a civil rights rooftop war on policemen, firemen, innocent citizens or anyone else they decide to snipe at.

America has had enough of youths, old enough for military service, who race through streets hurling firebombs and rocks while a half million others are fighting a war in Vietnam.

Yes, America has had enough. But just the mere saying that enough's enough isn't enough.

It is time for every American, who loves his country, to give sober thought to today's conditions and to weigh how he might help correct them.

It is time to recognize that the vast ma-

A failure to raise taxes would not avoid the burdens of financing a war. For these burdens are inescapable. But, instead of sharing those burdens equitably and responsibly—as an income tax surcharge would do—inflation, tight money, and shortages would tax the American people cruelly and capriciously. The consequences of that irresponsibility would haunt America and its people for years to come.

CONCLUSION

Some may hear in this message a call to sacrifice.

In truth, it is a call to the sense of obligation felt by all Americans.

Americans in Vietnam stand in, and brighten, the light of a proud tradition. They give their service, and some give their lives, for their country, and, for us.

To this point, America has served them well by supporting them unstintingly to the last of their needs while building a strong and prosperous Nation at home.

I urge you to remember the following. Last year real wages were the highest in history—and the unemployment rate reached the lowest point in 13 years; total after-tax real income of American families rose 5 percent; corporate profits after taxes reached an all-time peak, up 9 percent last year; net income per farm increased more than 9 percent, even after adjusting for the higher prices farmers paid; our gross national product, valued in constant prices, advanced 5.8 percent.

These gains were achieved without either runaway inflation, or the imposition of the wage and price controls which have been the condition of American life in every conflict of this century.

In significant part, this was the result of responsibility and restraint exercised by the business, farm, and labor communities.

The current situation summons those groups as never before to maintain that responsibility in their wage and price decisions.

It summons all Americans to respond with that same responsibility in the challenge of their own lives.

The inconveniences this demand imposes are small when measured against the contribution of a marine on patrol in a sweltering jungle, or an airman flying through perilous skies, or a soldier 10,000 miles from home, waiting to join his outfit on the line.

There are times in a nation's life when its armies must be equipped and fielded, and the nation's business must still go on. For America that time is now.

The Nation's unfinished agenda here at home must be pursued as well. The poor must be lifted from the prisons of poverty, cities must be made safe and livable, sick and undernourished bodies must be restored, our air and water must be kept clean, and every hour of our future must see new opportunities unfold.

This, then, is the story behind the facts and forecasts, and the recommendations I submit today.

Last January I told the Nation:

I wish I could report to you that the conflict in Vietnam is almost over. This I cannot do. We face more cost, more loss, and more agony. For the end is not yet. I cannot promise that it will come this year—or come next

year. Our adversary still believes, I think tonight, that he can go on fighting longer than we can, and longer than we and our allies will be prepared to stand up and resist.

Our men in that area—there are nearly 500,000 now—have borne well the "burden and the heat of the day." Their efforts have deprived the Communist enemy of the victory that he sought and that he expected a year ago. We have steadily frustrated his main forces. General Westmoreland reports that the enemy can no longer succeed on the battlefield.

I must say to you that our pressure must be sustained—and will be sustained—until he realizes that the war he started is costing him more than he can ever gain.

I know of no strategy more likely to attain that end than the strategy of "accumulating slowly, but inexorably, every kind of material resource"—of "laboriously teaching troops the very elements of their trade." That, and patience—and I mean a great deal of patience.

Those words are even more true today.

The test before us as a people is not whether our commitments match our will and our courage, but whether we have the will and the courage to match our commitments.

I urge the Congress to respond to the fiscal challenge that faces the Nation. I hope that in the national interest you will act promptly and favorably upon these recommendations.

LYNDON B. JOHNSON.

THE WHITE HOUSE, August 3, 1967.

MESSAGE FROM THE PRESIDENT—
APPROVAL OF BILL

A message in writing from the President of the United States was communicated to the Senate by Mr. Jones, one of his secretaries, and he announced that on August 1, 1967, the President had approved and signed the act (S. 1191) to provide for the distribution of judgment funds among members of the Confederated Bands of the Ute Indian Tribes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING
BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

CENTRAL ARIZONA PROJECT ACT

Mr. BYRD of West Virginia. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 395, S. 1004.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. Calendar No. 395, S. 1004, authorizing the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes, reported with an amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to, and the Senate proceeded to consider the bill.

PRIVILEGE OF THE FLOOR

Mr. JACKSON. Mr. President, I ask unanimous consent that appropriate members of the staff of the Committee on Interior and Insular Affairs be allowed the privilege of the floor in connection with the consideration of the Central Arizona Project Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum, and, at the request of the distinguished chairman of the Committee on Appropriations, I hope that the Senate staff will alert Senators to the fact that this will be a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 203 Leg.]

Anderson	Gruening	Kuchel
Bennett	Hansen	Mansfield
Byrd, W. Va.	Harris	McCarthy
Church	Hatfield	McClellan
Cooper	Hayden	Montoya
Dirksen	Hickenlooper	Morton
Dominick	Holland	Moss
Ellender	Jackson	Ribicoff
Fannin	Javits	Young, Ohio
Griffin	Jordan, Idaho	

Mr. BYRD of West Virginia. I announce that the Senator from Indiana [Mr. BAYH] and the Senator from Oregon [Mr. MORSE] are absent on official business.

I also announce that the Senator from Maryland [Mr. BREWSTER], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Wyoming [Mr. McGEE], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PELL], and the Senator from Florida [Mr. SMATHERS] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE] and the Senator from California [Mr. MURPHY] are necessarily absent.

The PRESIDING OFFICER. A quorum is not present.

Mr. BYRD of West Virginia. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, the following Senators entered the Chamber and answered to their names:

Aiken	Eastland	Long, La.
Allott	Ervin	Magnuson
Baker	Fong	McGovern
Bartlett	Fulbright	McIntyre
Bible	Gore	Metcalf
Boggs	Hart	Miller
Brooke	Hartke	Mondale
Burdick	Hill	Monroney
Byrd, Va.	Hruska	Mundt
Cannon	Inouye	Nelson
Carlson	Jordan, N.C.	Pastore
Clark	Kennedy, Mass.	Pearson
Cotton	Kennedy, N.Y.	Percy
Curtis	Lausche	Proity
Dodd	Long, Mo.	Proxmire

Randolph
Russell
Scott
Smith
Sparkman
Spong

Stennis
Symington
Talmadge
Thurmond
Tower
Tydings

Williams, N.J.
Williams, Del.
Yarborough
Young, N. Dak.

The PRESIDING OFFICER. A quorum is present.

The Senator from Arizona is recognized.

Mr. MANSFIELD. Mr. President, will the Senator yield to me, without losing his right to the floor?

Mr. HAYDEN. I yield.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, the distinguished minority leader and I have discussed the possibility of a Labor Day recess, and we did give serious consideration to the possibility of a recess until the latter part of August, as had been suggested by some Senators on both sides of the aisle, but we have come to the conclusion that that would not be possible at this time.

Therefore, we wish to make a joint announcement to the effect that there will be a recess, on the part of the Senate, from the conclusion of business on Friday, September 1, up to and including Sunday, September 10. So if Senators will put that down in their calendars, they will be able to make arrangements accordingly; and the joint leadership will send out notices to that effect shortly.

With respect to the second matter, the pending business, the joint leadership has discussed this legislation, which is very important, with both the chairman of the committee and the ranking minority members, including the Senator from California [Mr. KUCHEL] and the Senator from Colorado [Mr. ALLOTT]. It is intended to stay on this bill until it is completed. There may be votes today; there may be votes tomorrow. So the Senate is on notice.

CENTRAL ARIZONA PROJECT ACT

The Senate resumed the consideration of the bill (S. 1004) to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes.

Mr. HAYDEN. Mr. President, I appreciate this opportunity to make a statement in support of S. 1004, the bill which my colleagues, Senators FANNIN, CANNON, and JACKSON, cosponsored with me to authorize the central Arizona project. For more than 25 years, I have witnessed the obstruction of Arizona's effort to put to use its share of the Colorado River water.

I think all of you know that I have always attempted to help in any way possible with every project for the development of our country's resources—even when I was being fought on my own project for my own State. I am entitled, and the State of Arizona is entitled, to prompt action on the central Arizona project; and there is no sound reason why this project cannot be considered now. It is entirely compatible with the regional developments proposed by the Department of the Interior.

I pause to remark that during all my 40 years of service in the Senate, I have voted for and supported legislation which authorized the expenditure of large sums of money for the improvement of rivers and harbors and for flood control, not a dollar of which was reimbursable. It should not be forgotten that every dollar appropriated for the construction of reclamation projects is returned to the Treasury in due time.

The central Arizona project was conceived in 1940 as a separate project. The Bureau of Reclamation found it feasible in 1947. The Department of the Interior reported favorably on it in 1948. The 1947 report was updated in a report made in January 1962, and the project found to be more feasible and more needed than in 1947. The report was further refined and reevaluated by the Bureau of Reclamation in 1963. A subsequent favorable report was issued in January of 1964.

More recently, in February of 1967, the Bureau of Reclamation issued yet another report in which the feasibility of the project was again established. Throughout the 88th, 89th, and 90th Congresses, officials of the Bureau of Reclamation and the Department of the Interior have repeatedly testified before committees of Congress and have established the need for and the feasibility of the central Arizona project.

A bill to authorize this project was passed by the Senate in 1950 and again in 1951. In 1952, California prevailed upon the House Committee on Interior and Insular Affairs to postpone further consideration of the project until the extent of Arizona's water rights had been adjudicated or agreed upon.

We did what we were told to do. We went to the U.S. Supreme Court, where we battled for 11 long years, at the end of which the Court found that we were legally entitled to the water for which California had contended and to some extent even now continues to contend that we have no right.

Since I first came to the Senate in 1927, I have labored unceasingly to help Arizona secure the full benefit of its rightful share of Colorado River water. A civilization has grown up in Arizona that has added wealth and strength to our Nation. That civilization, as is true in the rest of the Southwest, is based on water. Today that civilization is threatened. Arizona has only one source of water if that productive civilization is to survive—that source is the Colorado River.

It cannot be denied that sufficient water is available to Arizona from the Colorado River to justify a central Arizona project. California, on the other hand, has other ample sources of supply within its own borders sufficient to meet its needs. If Federal assistance is needed to develop those sources, I will be glad to obtain that help for California. This is no new attitude on my part. I cheerfully supported the appropriation of Federal funds required to bring the water from the Sacramento River into central California.

Arizona can wait no longer. I am confident that this Congress and this administration will give first priority to

the central Arizona project—a desperately needed project.

When the Supreme Court handed down its historic opinion on June 3, 1963, it appeared that my years of labor were about to bear fruit and that the people of my State would realize the benefits of their full rights in the Colorado River. I trust that I—and the citizens of Arizona—will not be disappointed.

Finally, I should like to say that I believe that, in the final analysis, the State of California and those people who today purport to speak on her behalf will honor the pledges of two of her Governors—namely, that of the Honorable Earl Warren, given in 1948, that—

Whenever it is finally determined what waters belong to Arizona, it should be permitted to use that water in any manner or by any method considered best by Arizona.

And that of the Honorable Edmund G. Brown, given shortly after the Supreme Court decision, that California, having lost the Supreme Court case, "would not try to accomplish by obstruction what she had failed to accomplish by litigation."

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which was published today in the Washington Post.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ARIZONA'S EMERGENCY

As the Central Arizona Project bill goes before the Senate today, it has been stripped of its most controversial features. The bill failed last year largely because it called for construction of two power dams in Marble and Bridge Canyons. Both those dams have now been eliminated, and the way is clear for the addition of Marble Canyon to the Grand Canyon National Park. The question of the Hualapai Dam at Bridge Canyon is left for future decision, but meanwhile the Federal Power Commission would be forbidden to authorize any private dam at that site.

Power to lift Arizona's share of the Colorado water over the hills to Phoenix and Tucson would come from a huge steam generating plant to be constructed by public and private agencies. To minimize opposition, the Senate Interior Committee also included in the bill a guarantee of 4,400,000 acre-feet of Colorado water to California for 27 years, five reclamation projects in Colorado and New Mexico and aid for the Dixie project in Utah. The bill would also create a Lower Basin Development Fund which could be used to obtain water from other sources in future years, despite the elimination of the controversial dams.

Unfortunately, these concessions have not fully eliminated opposition. A few Senators still complain that no provision has been made for a study of water importation to the Southwest and that the loss of revenue from the proposed Hualapai Dam will diminish the possibility of obtaining such imports. Both points seem to us unsubstantial. The needed study of water imports can be undertaken by the National Water Commission to be established by a separate bill which has passed both houses, and a modified Hualapai Dam could be authorized at some future date if that should prove imperative to a larger solution of future water problems.

As against this vague concern for the future, the needs of Arizona are direct and immediate. The Senate Committee report shows that the water table in Arizona has dropped from an average of 70 feet below the surface

in 1940 to 200 feet in 1964, with some depths as great as 500 feet. In other words, Arizona has been supplying its needs by "mining" water that has accumulated over millions of years. It cannot continue drawing upon underground water at the same rate without disastrous consequences.

The bill in question is designed to help Arizona relieve its problem by drawing upon the Colorado River for water to which it is entitled under a decision of the Supreme Court. There is no reason for further delay of this essential project. We think Congress should enact the bill and that the Administration should move promptly to add Marble Canyon to the Grand Canyon National Park.

Mr. FANNIN. Mr. President, my distinguished senior colleague has just spoken on a bill he has sought to have passed for over 20 years. I pay tribute to him for his great efforts to obtain this legislation which is so vital to our State of Arizona and the Nation, and for his outstanding assistance to other States on reclamation projects important to them. I support this project wholeheartedly because of its necessity to Arizona and to other States in the Nation as a whole.

THE CENTRAL ARIZONA PROJECT—ARIZONA'S SALVATION

It was over 20 years ago that the Senate in the 78th Congress first looked upon this same project. Since that date, both Houses of Congress have considered the project in various bills, subjecting it to exhaustive hearings and documentation. For 11 long years the project lay on the congressional shelves, while Arizona and California took the legal issues to the U.S. Supreme Court.

In a moment I will briefly trace that long history. But first, let me discuss briefly why this project is needed so desperately by Arizona.

Historically Arizona's development lagged somewhat behind most regions in the Nation because her lands were remote and her climate arid. Recently, however, population and economic growth have virtually exploded, putting to use the area's dormant wealth of natural and human resources. This has spurred an acceleration in manufacturing, mining, lumbering, and tourist attractions. Situated next door to the most populous States in the Nation, Arizona continues to strengthen this burgeoning southwest region.

Water has put the muscle in Arizona's economy and given the surge to her spectacular recent growth—a growth that has not only served the people within her borders but the entire Nation as well. Without a permanent supply of water, much of this area would revert to desert, as it has already begun to do in some areas of the State where water shortages are most critical. This shortage is the result of Arizona's lack of facilities to use her legal share of Colorado River water, a condition the CAP would correct.

Arizona finds herself unique among all the seven States of the Colorado River Basin—she is now entirely dependent on the waters from this one river system. In contrast, the other States of the basin have available sources from other major river systems. But, due to the exasperating delays she has suffered in Congress and the Supreme Court, Arizona has been

unable to utilize her full legal share from this great river.

Consequently, much of the water used to maintain central Arizona's economy has come from groundwater basins. Water stored in these underground reservoirs has accumulated over millions of years. It is being depleted at a frightening rate. To the people of Tucson, this is a sobering statistic, for this great metropolis is the only major city in the United States wholly dependent on groundwater sources for its water supply.

The current average rate of groundwater decline in central Arizona has been approximately 10 feet, per year, with much of the area experiencing annual declines equalling and exceeding 20 feet.

The average water table depth in 1940 was only approximately 70 feet below ground surface. By 1964, however, it had dropped to 200 feet with depths as great as 500 feet. Pump lifts associated with these water-table levels vary from 250 to 600 feet. At this rate, the average water table is expected to drop to 300 feet and lower by 1975. In Pinal County, between Phoenix and Tucson, these ground-water depletions have been graphically illustrated by instances where the surface lands have visibly sunk.

Because of pumping costs, poor water quality, and the physical limitations imposed by the variable nature of the underground storage, the entire volume of underground water cannot be considered available for use. The present net rate of overdraft of approximately 2 million acre-feet per year will drastically deplete this largely nonreplenishable resource before adequate water is available to once again balance supply with demand.

All Arizonans have been hurt by the declining water supply, and with the current rate of population explosion the damage may become irreparable.

Urbanization is rapidly expanding in Arizona and, in some areas, is taking over prime agricultural land. This is especially true in central Arizona where the major metropolitan areas, principally Phoenix and Tucson, have sprung from towns in the irrigated farming areas.

Phoenix and Tucson are not just the population centers of our State—they are the home for three air bases which provide the major source of aircraft and fighter pilots in Vietnam. Phoenix is flanked by Williams and Luke Air Bases, where many of our fighter pilots receive their advanced pilot and gunnery training preparatory to assignments in Vietnam. Davis-Monthan at Tucson is the largest aircraft reconditioning base in the U.S. Air Force. From this sprawling installation come most of the reconditioned propeller and jet aircraft destined for service in Vietnam. It is also the home of one of three Titan II ICBM wings and 18 missile sites.

So you can see, Mr. President, that the threat to Arizona's water supply bears down as well on our Nation's defense capability.

These stark facts of the water crisis in Arizona, of course, have been recog-

nized by the Congress for all these many years. I had the privilege as Governor of Arizona to personally accompany members of the House Interior Committee during their field hearings on the CAP bill some years ago and to personally show them our plight.

It is our overdependence on this diminishing underground supply that poses the most dire threat to Arizona's survival. This problem can be helped by water obtained by the CAP, but even then the quantity of water obtained will not completely solve the difficulty. Since 1948, however, Congress has had before it a project which would help meet the crisis.

The CAP was conceived in its present form by the Bureau of Reclamation in 1947. And, as contained in S. 1004, it remains essentially the same project, differing principally in the source of power for lifting the water, with only minor changes in the distribution facilities after two decades of congressional examination.

The first hearings on the CAP were held by the 78th Congress. Further hearings followed in the 79th. In the 80th Congress, CAP bills were again introduced and, in the 81st, the Senate passed the project. Again in the 82d Congress, the Senate passed the CAP. But at the same time the House Interior and Insular Affairs Committee halted all action, instructing Arizona that further congressional consideration would have to await adjudication by the U.S. Supreme Court of the Arizona/California dispute over the waters of the Colorado.

In 1952, as instructed by the House committee, Arizona filed suit against California before the U.S. Supreme Court. There then began a lawsuit of historic significance. It was not until June 3, 1963, that the Supreme Court handed down its decree affirming Arizona's claim.

The Court adjudged the respective water rights of the three lower basin States to the Colorado River, stating that neither had priority over the others. The bitterness so often prevalent between California and Arizona lifted. When the Court's decision was announced, California's then Gov. Pat Brown stated that California would not try to accomplish by obstruction in Congress that which she had failed to accomplish in the Court.

Immediately Arizona's Senators again introduced the CAP bill, and hearings were held within 2 months. Further Senate hearings were held the following spring, 1964.

At this time the Secretary of the Interior announced a huge plan for water development in the entire Pacific Southwest, which, among other features, included the CAP, but, in addition, also authorized a study of a monumental project to import water into the Colorado River.

Negotiations among the seven Basin States resulted in the submission to the House, during the 89th Congress, of a similar huge regional plan. But the bill died with that Congress. Three forces, none having any connection with the feasibility of the CAP, precipitated its demise:

First. Opposition to the plan by the Pacific Northwest States, which feared the Columbia River would be tapped as the source for augmentation of the Colorado River.

Second. Opposition to construction of Hualapai and Marble Canyon Dams on the Colorado River.

Third. Refusal of some of our allies to proceed with the bill in the House notwithstanding Arizona's desire to do so.

Mr. President, the last two decades have been long, frustrating, and costly for my State. Yet, over these 20 years, two basic propositions have remained unchanged:

First. The water crisis in Arizona occasioned by the lack of facilities to utilize her rightful share of the Colorado, and the resultant overdraft of her diminishing groundwater, pose, a threat to her very existence.

Second. The central Arizona project, after all these years of laborious inquiry, remains an economically feasible project capable of rescuing our State from this catastrophe.

While Arizona has had to wait, other States in the basin have gone forward with their projects with Arizona's support.

Mr. President, let me now briefly describe the central Arizona project and highlight the other features of S. 1004.

The central Arizona project is essentially the same as it has been in previous bills. Specifically it will consist of facilities designed to divert Colorado River water from Lake Havasu to the central part of the State through the Granite Reef aqueduct, which will be constructed for a 3,000-cubic-foot-per-second capacity. Pumping plants will be located along the aqueduct as required including some short tunnels where needed.

Sizing the Granite Reef aqueduct to 3,000 cubic feet per second from the previously designed 2,500 cubic feet per second will make the overall project more economically feasible—permitting Arizona, during periods of high river flow, to use her rightful surplus, now presently diverted by California.

Water delivered to central Arizona will be stored in Orme Reservoir near Phoenix for use by municipalities and irrigation districts in the area. Some of this water will then be diverted southward through the Salt-Gila aqueduct to irrigate areas in Pinal County. At the end of the Salt-Gila aqueduct, pumping plants will lift the water into a pipeline leading to the city of Tucson.

Other dams will be constructed on the Gila River in Arizona and New Mexico to regulate flows and provide recreation, fish and wildlife uses, and sediment detention. Charleston Dam on the San Pedro River, just north of the border of Mexico, will provide similar benefits and, in addition, serve as another source of water for the city of Tucson through a conduit.

In addition to the CAP, S. 1004, as passed by the Senate Interior and Insular Affairs Committee, incorporates practically all features of previously introduced regional development bills. But the bill substitutes a thermal powerplant

as a source of power and revenue in place of the controversial Hualapai and Marble Canyon Dams contained in other proposed legislation.

Specifically, the bill provides—

First. The central Arizona project just described with Hooker Dam and Reservoir in New Mexico.

Second. As a substitute for the Hualapai and Marble Canyon Dams, which were the cash registers for future development funds and provided pumping power for the central Arizona facilities in other regional bills, the Secretary, instead, is authorized to contract with non-Federal interests for enough of the generating capacity of a thermal generating powerplant to run the CAP pumps. Excess power, if any, will be banked with participating agencies for future use or sold in the same manner as hydropower was proposed to be sold in other bills, for the purpose of creating moneys for a development fund.

Mr. President, I expect that the few opponents of this needed project will tell my colleagues that this power purchase plan will first, provide a huge Federal giveaway to the private and public utilities who will construct and own the thermal plant; and, second, that this plan puts the Federal Government in the power business.

Now I ask you, as a matter of rational thought, how can it be both? Quite precisely, of course, it is neither.

This plan will merely permit the project to buy its pumping energy at a conservative price, by advancing to these utilities no more than that portion of the plant's construction cost which bears the same ratio to the total plant construction cost as the purchased electricity bears to the total power capacity of the plant. Of course, the Secretary will also pay annually to the utilities the same percentage of operation and maintenance costs.

I trust it will not be necessary to repeat that the Federal Government will not own a nickel of this thermal plant. As I have just described, it will only contract for enough power capacity from the plant to run the project pumps.

Third. Deferral of Hualapai Dam has become even more advisable in light of the recent suggestion by the city of Los Angeles that a pump storage project be incorporated as an integral part of the entire plan. Accordingly, section 13 of the bill imposes a moratorium on the Hualapai site "until and unless otherwise provided by the Congress."

Fourth. A development fund is established into which will be placed all revenues collected from operation of the works authorized; all Federal revenues from Boulder Canyon and Parker-Davis projects after they are paid for; all Federal revenues from the portion of the Pacific Northwest/Pacific Southwest power interties located in the States of Arizona and Nevada after completion of repayment requirements. In addition to assisting payout of the CAP and the Dixie project, this fund will, more importantly, be available for augmentation of the Colorado River's supply. The fund will accumulate a net amount exceeding

\$377 million by the year 2025 and over \$1.2 billion by 2050.

Fifth. Five Upper Basin projects are authorized: the Animas-La Plata project in Colorado and New Mexico, and the Dolores, Dallas Creek, West Divide, and San Miguel projects in Colorado.

Sixth. A 27-year priority is granted to California for 4.4 million acre-feet annually of Colorado River water. Let me reemphasize that the U.S. Supreme Court proclaimed that California was not legally entitled to a priority to her 4.4 million acre-feet—any more than Arizona and Nevada are legally entitled to a priority for their respective rights to 2.8 million acre-feet and 300,000 acre-feet. We give California a 27-year priority in this bill out of a sense of comity, so as not to jeopardize payout of her Metropolitan Water District aqueduct.

Seventh. S. 1004 provides the same Upper Basin benefits in earlier proposed regional bills including repayments to the Upper Colorado River Basin fund of \$500,000 each year for payments made from that fund to compensate for power deficiencies resulting from the filling of the Glen Canyon Dam; provision for the promulgation of equitable criteria for the coordinated long-range operation of reservoirs constructed in both the upper basin and the lower basin; provision for the completion of planning reports on proposed projects in the upper basin located in Colorado, Wyoming, and Utah; the integration of the Dixie project in Utah for purposes of participation in the development funds; and related fish, wildlife and recreation benefits which inure to the advantage of the entire Colorado River Basin.

The five Colorado projects will cost \$360 million. The cost of the central Arizona and New Mexico projects is \$768 million.

These costs will be financed by moneys flowing into the development fund, principally from the water users. The Hoover, Parker, and Davis revenues after payout will provide almost \$480 million by the year 2025 and approximately \$837 by the year 2050. The intertie revenues from Arizona and Nevada after payout will approximate \$130 million by 2050 and the units authorized by S. 1004 would provide surplus revenues of approximately \$315 million by 2050. According to accepted Bureau of Reclamation practice these moneys can be advanced earlier if needed.

The immediate need for funds in the first few years following authorization will be minimal, since the projects will then still be in planning stages and subject to funding by additional congressional action.

There you have it. A final project hammered out after 20 years of congressional debate, including more than a decade in the U.S. Supreme Court.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial published in this morning's Washington Post, entitled "Arizona's Emergency," which supports Arizona's need and justification.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

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As the Central Arizona Project bill goes before the Senate today, it has been stripped of its most controversial features. The bill failed last year largely because it called for construction of two power dams in Marble and Bridge Canyons. Both those dams have now been eliminated, and the way is clear for the addition of Marble Canyon to the Grand Canyon National Park. The question of the Hualapai Dam at Bridge Canyon is left for future decision, but meanwhile the Federal Power Commission would be forbidden to authorize any private dam at that site.

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Unfortunately, these concessions have not fully eliminated opposition. A few Senators still complain that no provision has been made for a study of water importation to the Southwest and that the loss of revenue from the proposed Hualapai Dam will diminish the possibility of obtaining such imports. Both points seem to us unsubstantial. The needed study of water imports can be undertaken by the National Water Commission to be established by a separate bill which has passed both houses, and a modified Hualapai Dam could be authorized at some future date if that should prove imperative to a larger solution of future water problems.

As against this vague concern for the future, the needs of Arizona are direct and immediate. The Senate Committee report shows that the water table in Arizona has dropped from an average of 70 feet below the surface in 1940 to 200 feet in 1964, with some depths as great as 500 feet. In other words, Arizona has been supplying its needs by "mining" water that has accumulated over millions of years. It cannot continue drawing upon underground water at the same rate without disastrous consequences.

The bill in question is designed to help Arizona relieve its problem by drawing upon the Colorado River for water to which it is entitled under a decision of the Supreme Court. There is no reason for further delay of this essential project. We think Congress should enact the bill and that the Administration should move promptly to add Marble Canyon to the Grand Canyon National Park.

Mr. KUCHEL. Mr. President, obviously, I have no objection to having this editorial printed in the RECORD; but I do ask my friend to note that subsequently in this debate I shall be referring to it.

Mr. FANNIN. I state to my distinguished colleague that of course I would expect him to do so.

Mr. President, patience, it has been said, is a virtue. But, as with all maxims, there are limits to its exercise. The virtue of patience lies in the certainty that the event awaited will ultimately occur. A man dying of thirst can await water just so long—its absence can be endured only to a point, beyond which his survival is threatened.

The analogy fits for Arizona.

I ask for support for this rescue project.

Mr. President, I yield the floor.

Mr. JACKSON. Mr. President, the bill before the Senate involves a matter which has been steeped in controversy for two decades. I know of no single subject to which the Interior and Insular Affairs Committee has devoted more time and effort.

Disputes between States and between interests within States have plagued proposals for development in the Lower Colorado River Basin. There have been genuine disagreements over matters of substantial importance.

The bill, S. 1004, as amended and reported by an overwhelming vote of the committee deals fairly and justly with the issues which have been the subject of disagreement. It has as its foundation voluntary and negotiated agreements and understandings entered into by representatives of the States of the Basin over the past several years. In addition, this legislation incorporates compromises and accommodations designed to resolve issues of concern.

The bill before the Senate is concerned with equitable development and utilization of the existing water resources of the Colorado River Basin. Opposition to the bill is focused on the contention that this measure should go beyond existing resources and provide for a major enhancement of the flow of the Colorado River by importation of water from another area of the country.

Let me make it very clear that the central Arizona project and the other projects authorized by this bill require water from no source other than the Colorado River system.

The proponents of transbasin water diversion talk in terms of a volume of water equal to more than half of the current annual flow of the Colorado River. This contemplates not a pipeline system but the construction of a canal equal to a major river.

This proposal raises questions of obvious national as well as regional concern. These questions involve matters of cost, of water supply and ultimate requirements, of impact on the areas of origin, of the uses to which water will be put, and many others. The factual data necessary to answer these questions have only recently begun to be gathered. The policy issues inherent in these proposals and the criteria necessary to judge them have yet to be explored or formulated.

These are issues of great sensitivity. They must be approached with the utmost objectivity and care. Dispassionate study and unprejudiced advice are required in reaching sound decisions.

The Senate has already approved legislation to establish a National Water Commission to study the whole range of our Nation's water problems and alternative means for meeting our water requirements, including transbasin diversions. The House of Representatives has also approved the measure with some amendments. The Commission's recommendations concerning the water problems of the Nation will provide needed guidance to the Congress and the administration.

The bill as reported from the Interior Committee does not include the so-called

cash register dams on the Colorado River which have been the subject of much controversy. A new dam on the Colorado River is not required for purposes of the central Arizona project or the other projects associated with the bill. The proponents of the Hualapai Dam insist that it must be built to generate electric power which would be sold to finance a water importation scheme. In other words, the Senate is asked to authorize construction of this dam, adding almost half a billion dollars to the estimated cost of this bill, solely for the purpose of financing a scheme which has not been authorized by the Congress. This proposal was soundly rejected when offered in committee.

The highest and best use of these proposed damsites on the Colorado River—whether for hydroelectric development, additions to our system of national parks, or for other purposes—is a matter the committee recommends be reserved for future action by the Congress. The administration recommended that the proposed Hualapai Dam site be a subject of study by the National Water Commission and the Interior Committee concurs in this recommendation.

During the Senate's consideration of this measure, amendments which have been considered, evaluated, and rejected by the Interior Committee may be offered again in an effort to authorize the construction of dams in the Grand Canyon; to undertake the first steps toward a massive and costly importation program; and, as a last resort, to add crippling amendments to the bill. I urge the Senate to reject these amendments and proceed to prompt and favorable action on S. 1004 as reported by the committee.

This legislation provides the framework for continued and expanded regional water resource development and planning in the Lower Colorado River Basin. Its purpose is realistic and it deals fairly with the interests of all of the States of the basin.

The major features of the bill are as follows:

First. Authorization of the central Arizona project. This project has been approved by the Senate on two previous occasions. Construction of the project is necessary to enable the State of Arizona to use its entitlement of 2.8 million acre-feet as determined by the Supreme Court in *Arizona versus California*. Water made available by the project is needed so that arid central Arizona and the cities of Phoenix and Tucson will be able to maintain their present economy.

Second. No new Colorado River dams are authorized by this bill. The authority of the Federal Power Commission to issue licenses at the Hualapai site in the Grand Canyon is suspended by section 13 of the bill "until and unless otherwise provided by the Congress." An extension of the Grand Canyon National Park to include the Marble Canyon site is the subject of separate legislation now pending before the Interior Committee.

Third. Pumping power required for the central Arizona project will be furnished by authorizing the Secretary of the Interior to purchase electricity through prepayment arrangements, from

a group of private and public utilities in the Southwest who plan to construct, own, and operate a large thermal powerplant near Page, Ariz.

Fourth. California is guaranteed 4.4 million acre-feet of Colorado River water for a period of 27 years. This date coincides with the payout date of the Metropolitan Water District aqueduct.

Fifth. A Lower Colorado River Basin development fund is established. Post amortization surplus Federal revenues from the central Arizona project, the portions of the Pacific Northwest-Pacific Southwest Intertie in Nevada and Arizona, and from Hoover and Parker-Davis Dams will be used for irrigation assistance and to undertake such water conservation, salvage, and development projects as may be authorized in the future by the Congress. The Dixie project in the State of Utah is integrated into the development fund.

Sixth. Five reclamation projects in the Upper Colorado River Basin—four in the State of Colorado and one located in both Colorado and New Mexico—are authorized.

Seventh. Reservoir operating criteria which are equitable and fair to both the upper and lower basins are established.

Eighth. A number of other provisions reflecting agreements arrived at by representatives of the States of the Colorado River Basin are also included in the bill.

As Members of the Senate are aware, S. 1004 is sponsored by the dean of the Senate, Senator CARL HAYDEN, of Arizona, in concert with his junior colleague, the Senator from Arizona [Mr. FANNIN], Senator CANNON, and myself. The efforts of the senior Senator from Arizona on behalf of other States and regional water-resource-development programs are well known.

His efforts to gain authorization of the central Arizona project began 20 years ago. The enactment into law of S. 1004 will be a fitting tribute to a career which is unparalleled in the history of the U.S. Senate.

This bill is in the national, regional, and State interest. It represents the high art of statesmanship practiced by the senior Senator from Arizona [Mr. HAYDEN]. I call upon my colleagues in the Senate to join in supporting Senator HAYDEN's bill.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

	[No. 204 Leg.]	
Aiken	Ervin	Long, La.
Allott	Fannin	Magnuson
Anderson	Gore	Metcalf
Baker	Griffin	Monroney
Bartlett	Hartke	Morton
Bennett	Hatfield	Moss
Bible	Hayden	Randolph
Burdick	Inouye	Ribicoff
Carlson	Jackson	Russell
Church	Javits	Scott
Cooper	Jordan, Idaho	Sparkman
Curtis	Kuchel	Spong
Dirksen	Lausche	Talmadge
Dominick	Long, Mo.	Williams, Del.

THE PRESIDING OFFICER. A quorum is not present.

Mr. INOUE. Mr. President, I move that the Sergeant at Arms be directed

to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Hawaii.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, the following Senators entered the Chamber and answered to their names:

Boggs	Hickenlooper	Nelson
Brooke	Hill	Pastore
Byrd, Va.	Holland	Pearson
Byrd, W. Va.	Hruska	Percy
Cannon	Jordan, N.C.	Prouty
Clark	Kennedy, Mass.	Proxmire
Cotton	Kennedy, N.Y.	Smith
Dodd	Mansfield	Stennis
Eastland	McCarthy	Symington
Ellender	McClellan	Thurmond
Fong	McGovern	Tower
Fulbright	McIntyre	Tydings
Gruening	Miller	Williams, N.J.
Hansen	Mondale	Yarborough
Harris	Montoya	Young, N. Dak.
Hart	Mundt	Young, Ohio

The PRESIDING OFFICER. A quorum is present.

Mr. ANDERSON. Mr. President, when I decided to seek the office of the U.S. Senator from New Mexico nearly 20 years ago, one of my primary ambitions was to contribute as much as I could toward the full development of the water resources of the Colorado River Basin. My State of New Mexico is an integral part of that area, having drainage in both the Upper and Lower Basins.

A large measure of success was achieved for the Upper Basin with the enactment of the Colorado River storage project in 1956. This immense project harnessed the water resources in the upper regions of the Colorado River and its tributaries. Later, with the passage of the Navajo Indian irrigation and the San Juan-Chama transmountain diversion projects in New Mexico and the Fryingpan-Arkansas project in Colorado, we witnessed further planning of the limited water resources of the basin to benefit large areas of these two States.

Now we are on the threshold of another step forward with an opportunity to benefit the entire basin. By passage of the pending business, the Senate will greatly assist our water-short Pacific Southwest in our continuing efforts to develop and augment our water supplies.

The Committee on Interior and Insular Affairs favorably reported the pending bill, S. 1004, to authorize the central Arizona project and for other purposes.

As a Senator from New Mexico, a State which has a vital interest in the full development of both the upper basin and the lower basin of the Colorado River, I will work for the passage of this measure and urge my colleagues to support it.

This bill, like most legislation, represents a compromise. It is, however, an honorable compromise which was reached after lengthy hearings and extensive consideration of all issues by the committee. The Senate Interior Committee voted 14 to 3 in favor of reporting the bill, as amended.

It is my honest conviction that the provisions found in S. 1004, as amended, promise immense benefits to both the

Upper and Lower Basin States of the Colorado River.

During my service in the Senate, I have on many occasions dealt with the problems of western water. Based on my experience and knowledge of the needs and the alternatives facing the Colorado River Basin States, I can recommend S. 1004 to the Senate without reservation. We have in this legislation an honest attempt to reconcile the differences among basin States in a manner consistent with the national interest. This bill is integrated with a network of State and Federal planning. It meets legitimate needs and takes into account the interests of all parties affected.

There has been a vocal opposition to this bill by a small minority in the committee. It has come in part from representatives of the Upper Basin States. But I submit that a careful examination of the bill will reveal that S. 1004 offers sound support to the goals of all Colorado River water users. It seems to me that sound legislative judgment of the local as well as the national interests affected by the bill make it one in which all Members of the Senate can, and should, join. I should like to suggest a careful reading of the committee report as evidence of the regional scope of S. 1004.

As an upper basin Senator, I believe S. 1004 provides essentially everything that the upper basin wants except the authorization of Hualapai Dam. The purpose of Hualapai Dam would be to furnish revenues to a development account. S. 1004 provides a development account with substantial revenues accumulating from Hoover, Parker, Davis, the Arizona-Nevada portion of the Northwest-Southwest intertie, and the central Arizona project. While the development account thus provided is somewhat less than it would be were Hualapai Dam included therein, it is nonetheless substantial. The Senate is well aware of the national interest and concern over the controversy surrounding the Grand Canyon.

It therefore seems that, in the aggregate, this bill has many advantages for the upper basin as well as the lower basin.

Our senior and beloved colleague, CARL HAYDEN, has worked for many years to see the day when the central Arizona project would be passed. He has made every effort to meet the problems of all concerned by legitimate and honorable compromise. I, for one, intend to support him. By so doing, I will at the same time be advancing the cause of resource development in my State, region, and Nation.

Mr. BIBLE. Mr. President, I rise in support of S. 1004, the measure that will authorize the central Arizona project in my neighbor State of Arizona, but more to pay my respects to our beloved colleague, CARL HAYDEN, the principal sponsor of the pending bill and the author of many similar bills over the past 20 years.

His dedicated interest and active support of this proposal goes back so many years that most of us in the Senate must read the record to realize the long and dedicated struggle he undertook to carry Arizona's share of the Colorado River

water to those areas of his State which need it most.

The proposal has had a long and stormy history before Congress. The Bureau of Reclamation's original planning report was completed in December 1947, and was published as House Document No. 136, 81st Congress, first session.

Hearings on bills to authorize central Arizona were conducted in both the Senate and House in 1949. Senator Hayden's bill was approved in the Senate both in 1950 and 1951, but hearings were indefinitely postponed by the House Interior and Insular Affairs Committee in 1951 pending the adjudication with respect to the waters of the Lower Colorado River Basin.

The Supreme Court rendered its decision in the case of Arizona against California, and again Senator HAYDEN introduced a bill to accomplish his fondest dream. The Committee on Interior and Insular Affairs, of which I am a member, approved the proposal in 1964, and again our colleague reported it to the Senate, but again final action was not taken.

So there will be no doubt, I intend to support and vote for S. 1004 as reported. Despite statements in the minority views in the report on S. 1004, I am satisfied that the interests of my State of Nevada are protected in the measure, and that the enactment of this bill will be of immeasurable benefit to the economy of southern Nevada and the entire Southwest.

Finally, let me add that in my opinion, CARL HAYDEN is the outstanding conservation statesman in Congress. He is outstanding because his entire career in Congress, spanning a period of more than half a century, has been one of cooperation for the development of the Nation's resources in the North, the East, the South, as well as the West. I sincerely trust that this Congress will in a small way reciprocate by overwhelmingly approving the central Arizona project.

Mr. ALLOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ILLEGAL RAISING OF CAMPAIGN FUNDS

Mr. WILLIAMS of Delaware. Mr. President, today I call attention to another racket in raising campaign funds—a racket whereby millions have been pouring into the campaign coffers and in time being charged off as business expenses for income tax purposes.

Conspiracy to violate the Federal income tax laws and the Corrupt Practices Act is a criminal offense.

The Treasury Department has confirmed this illegal practice and has promised prosecution.

This device, the object of which was to circumvent both the tax laws and the Corrupt Practices Act, works as follows:

Contributors would conspire with a public relations firm to act as a go-between and then make unusually large payments to that firm under the guise that it is for public relations when in effect it was understood that the payments were to be distributed as campaign contributions to certain designated parties. By this ingenious arrangement they would claim tax credit for campaign contributions which otherwise would not be possible, and if not caught they avoid compliance with the provisions of the Corrupt Practices Act.

This was called to my attention several months ago, and while it was being checked the Wall Street Journal, on June 28, published an article on this same subject entitled "Public Relations Firms Investigated as Blinds for Political Donations." This article named some of the public relations firms.

In answer to my inquiry the Treasury Department confirmed the use of this illegal scheme and said that the existing law was adequate to cope with the problem.

In the July 31, 1967, reply signed by Mr. Fred B. Smith, General Counsel of the Treasury Department, he said:

A little over a year ago, the Intelligence Division of the Internal Revenue Service, as a result of an unrelated investigation, found evidence which indicated that certain public relations firms in the Los Angeles area may have conspired with political campaign contributors for the purpose of enabling such contributors to deduct political contributions as business expenses. As a result of the revelations in Los Angeles, the Service is alert to the possibility that such tax abuses exist in other geographical areas.

The Internal Revenue Service is closely coordinating its overall investigation with the Tax and Criminal Divisions of the Department of Justice, and any evidence pointing to violations of the Corrupt Practices Act, or other laws outside the jurisdiction of the Internal Revenue Service, will be referred to the Attorney General.

Mr. President, since the Treasury Department has confirmed that this scheme is a violation of the law and that the law is adequate I most respectfully suggest that it now proceed to enforce it.

I ask unanimous consent that the Wall Street Journal article of June 28, my letter to the Department of July 3, and the reply thereto of July 31, all be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, June 28, 1967]

PUBLIC RELATIONS FIRMS INVESTIGATED AS BLINDS FOR POLITICAL DONATIONS—IRS CHECKING 10 IN LOS ANGELES—CONTRIBUTIONS CAMOUFLAGED AS EXPENSES COULD BE DEDUCTED

(By a Wall Street Journal Staff Reporter)

LOS ANGELES.—The Internal Revenue Service is conducting an investigation of at least 10 public relations firms in the Los Angeles area to determine if they have been used as conduits to attempt to make political contributions tax deductible.

Political contributions ordinarily aren't deductible. A company's public relations expenditures, however, are. It is believed that some concerns may have paid publicity firms ostensibly for public relations activities when, in fact, the public relations firms

were expected to use those funds on behalf of a political candidate or referendum issue.

An IRS spokesman in Washington confirmed that the agency is looking into possible abuses of the Federal tax codes in California involving the claiming of political contributions as business expenses. He added that the California situation has prompted the agency to investigate "other places" as well. But he wouldn't comment on any specific companies or individuals being investigated.

In Los Angeles, sources at several publicity agencies that conceded they were under investigation said, in each case, that it was their understanding that at least nine other local firms were being investigated.

One of the 16 firms, Howfield, Inc., filed a complaint in Federal court here that IRS investigators improperly gained access to its records through assurances that Howfield itself wasn't being investigated. The IRS, however, subsequently stated that Howfield actually wasn't under investigation until it had seen about eight Howfield checks and seven client vouchers that raised some questions about Howfield's own activities.

Howfield's lawyer, Walter S. Weiss of Goodson & Hannam in Los Angeles, said Howfield ceased operations "about 18 months ago." He declined to state Howfield's business but the firm has been described in the past as conducting an advertising and public relations business. The company, however, is still a legal entity, he said, and is headed by William H. Ahmanson as president. Mr. Ahmanson is a nephew of Howard Ahmanson, board chairman of Los Angeles' Home Savings & Loan Association, the nation's biggest stockholder-owned savings and loan organization.

Mr. Weiss, however, said Howfield had no connection with Galaxy Inc., Home Savings & Loan's own advertising agency, and that William Ahmanson has had no connection with Galaxy. He didn't state whether Howfield had done any work for Home directly, however.

No criminal actions have been filed in connection with the investigation.

U.S. SENATE,

Washington, D.C., July 3, 1967.

HON. HENRY H. FOWLER,
Secretary of the Treasury,
Department of the Treasury,
Washington, D.C.

MY DEAR MR. SECRETARY: In the Wall Street Journal of June 28, 1967, there appeared an article entitled, "Public Relations Firms Investigated as Blinds for Political Donations."

Several weeks ago I received a similar complaint about public relations firms in the Los Angeles area which were representing some of the maritime industry. The allegations were along the lines as indicated in this article; namely, that through substantial payments or assessments, the companies were siphoning money to the public relations organization which in turn was being distributed as political contributions. The suggestion was that through this procedure the political contributions were being marked off as a business expense for tax purposes and in addition they could by-pass certain phases of the Corrupt Practices Act.

My information was to the effect that these public relations firms were seeking from the Treasury Department a ruling that such practices were not prohibited by existing law.

Please advise me whether or not any such ruling has been rendered, along with any other information which you may have as to the extent of this practice. Also, do you need any additional legislation in this area to cope with this problem?

Enclosed is a copy of the newspaper article referred to above.

Yours sincerely,

JOHN J. WILLIAMS.

THE GENERAL COUNSEL
OF THE TREASURY,
Washington, D.C., July 31, 1967.

HON. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: Secretary Fowler has asked me to thank you for your letter of July 3, 1967, and the copy of the *Wall Street Journal* article of June 28, 1967, which you enclosed, entitled "Public Relations Firms Investigated as Blinds for Political Donations."

This article is essentially correct. A little over a year ago, the Intelligence Division of the Internal Revenue Service, as a result of an unrelated investigation, found evidence which indicated that certain public relations firms in the Los Angeles area may have conspired with political campaign contributors for the purpose of enabling such contributors to deduct political contributions as business expenses. As a result of the revelations in Los Angeles, the Service is alert to the possibility that such tax abuses exist in other geographical areas.

The Internal Revenue Service is closely coordinating its overall investigation with the Tax and Criminal Divisions of the Department of Justice, and any evidence pointing to violations of the Corrupt Practices Act, or other laws outside the jurisdiction of the Internal Revenue Service, will be referred to the Attorney General.

I have been advised that officials of the Internal Revenue Service are unaware of any request by a public relations firm, or any representative of the maritime industry, for a ruling relative to the legality of the practices currently under investigation. Also, I am advised that the Service's experience to date indicates that existing law is adequate in this area; however, the Department will be in a better position to comment on this aspect of your inquiry after the current field examinations have developed more information regarding the abuses.

With best regards,
Sincerely,

FRED B. SMITH,
General Counsel.

FEARS OF MINIMUM WAGE INCREASE CONSEQUENCES PROVE TO BE UNFOUNDED

Mr. YARBOROUGH. Mr. President, when this body considered the 1966 amendments to the Fair Labor Standards Act, we did so under protest from a few groups that would be affected by the changes. Although this has happened when any amendment has been considered over the years that either raised the minimum wage or increased the scope of worker coverage under the act, the fears proclaimed by these groups were particularly vehement. It is our duty as legislators, however, to look beyond the momentary objections toward the ultimate benefit which such legislation can bring. I am pleased to be able to report that, based on the information available, these fears appear to be unfounded and many Americans who were previously at the poverty level of income are now receiving a better wage for a day's work.

It is too soon at this time—only 6 months after the amendments went into effect—for precise statistical data in specific areas and industries to have been collected and analyzed on the effects of the recent changes in the minimum wage law. However, the data which we do have, from whatever sources, show no adverse employment effects. They show that, because of the efforts of this Congress, a

larger number of employees is receiving a more equitable rate of pay. They live better, feed their children better, and have some measure of self-respect because they are paid a decent wage for a day's work done. At the same time, these increased wages move into the main stream of the economy for the increased prosperity of all.

Regularly published data of the Bureau of Labor Statistics show that our economy has adjusted well to the recent changes in minimum wages. The number of employees on nonagricultural payrolls increased by almost 2 million between May 1966 and May 1967, the latest month for which detailed figures are available. During the same period unemployment has declined by almost 500,000.

In comparison, it will be remembered that last summer when the minimum wage law was being debated we had predictions of calamity in this country if that law were passed and it was said that hundreds of thousands of persons would be knocked out of work if it passed. I shall come to those industries affected by the coverage of the minimum wage law which Congress voted for last year.

In those industries which we anticipated would be most affected by the recent changes in the minimum wage law we see significant increases in employment. The number of employees in retail trade for example is 300,000 higher than a year ago and the number of employees in the service and miscellaneous industries, such as laundries and others covered by the act, has increased by more than one-half million over the year, the very trades that some people opposed in the minimum wage law.

We had votes in one instance on amendments that would have taken away coverage, and they were rejected by only one vote; so that by one vote we saved the operation. Now we have 300,000 more employees in the retail trades and a half million more in the service trades.

Employment has increased not only in retail trade as a whole but also in the lines of retail trade which had to make significant wage adjustments—variety stores up 15,000, restaurants up 72,000, drugstores up 25,000, apparel stores up 25,000, and department stores up 37,000. In the personal services, including laundries, cleaning and dyeing plants, photographic studios, barber and beauty shops, employment is also higher than a year ago, by 13,000. These are the hard facts that are now available. They show that our confidence in the ability of the business community to pay a minimum wage was sound.

The Department of Labor is now in the process of preparing comprehensive studies on the impact of the new minimum wages as they affect employees in hotels, motels, restaurants, and agriculture who were newly covered in February 1967.

No Federal minimum wage law had applied to those categories before. The results of these studies are not yet available because this became effective only in February of this year, but they are scheduled for completion at the end of the year. I expect they will support the evidence we have outlined here. The

evidence from other business sources is merged in the tables I have here.

Regional offices of the Wage and Hour and Public Contracts Divisions throughout the country were alerted to note effects of the wage increases and submit reports at regular intervals. The national office of Wage and Hour and Public Contracts Divisions had received only 211 reports as of June 30, 1967.

This is what the regional offices send out to try to find out the impact of the law and they had received 211 reports from business by June 30.

Of these, only 61 appeared to involve any layoff of employees or plant shut-downs for any reason—not just pinpointing the minimum wage, but any of these that had any layoffs or plant shut-downs for any reason whatsoever.

A review of 39 of these layoffs or shut-downs has already been completed, and what was found? Of the six reported shut-downs, two never did shut down and one has reopened. The three establishments which did not reopen included a small hospital, which indicated medicare was a factor, and a nursing home and small glove manufacturing establishment which together employed 16 persons. Of the 33 reports of establishments with actual or impending layoffs, 15 had no layoffs, seven had overstated the extent of layoffs, and two had rehired their old workers and added new ones. The total number laid off in the remaining establishments involved 52 workers.

On the other hand, a significant number of reports indicated definite beneficial effects of the minimum wage amendments. It was reported that higher wages removed competitive inequities, attracted a higher caliber of workers and thereby reduced labor turnover. Other reports noted a more efficient utilization of labor and the hiring of additional workers because it had become advantageous to reduce overtime. In fact, when the overtime provision became applicable under the minimum wage law, some companies quit giving overtime and hired more workers or took back some of the unemployed from the unemployment rolls by that means.

Let us not forget that we considered the small businessman very carefully in designing the 1966 amendments to the Fair Labor Standards Act. Even in a large multiestablishment enterprise, which has more than one place of business, only those establishments within the enterprise which do an annual business volume of \$250,000 or more are covered. Enterprises with annual business of \$250,000 to \$500,000, the mislabeled "small stores" are not covered until 1969. They were allowed 2 additional years to make their adjustment to minimum wage coverage.

Nothing substantiated or documented has been brought to our attention to date which indicates that the 1966 amendments have been harmful. Furthermore, there is a built-in delay in wage increases in newly covered establishments so that the \$1.60 an hour level will not be reached until 1971.

The Senate will recall that the old minimum wage law was \$1.25 an hour. Under our amendments last year, in

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued August 7, 1967
For actions of August 4, 1967
90th-1st; No. 122

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HIGHLIGHTS: Senate passed bills to prohibit unfair trade practices affecting co-operatives, make newly acquired farms eligible for cropland adjustment program, and continue dairy indemnity payments. House subcommittee approved meat inspection bill. Senate committee reported wild rivers bill. Sen. McCarthy introduced and discussed food reserve bill. Sen. Proxmire introduced and discussed bill to provide mortgage insurance for recreational development.

HOUSE

- 1. MEAT INSPECTION.** A subcommittee of the Agriculture Committee approved for full committee action H. R. 6168, amended, to clarify and otherwise amend the Meat Inspection Act, to provide for cooperation with appropriate State agencies with respect to State meat inspection programs. The "Daily Digest" states that a clean bill will be introduced. p. D683

2. COOPERATIVES; CROPLAND ADJUSTMENT; DAIRY INDUSTRY. Passed as reported S. 109, to control unfair trade practices affecting producers of agricultural products and associations of such producers (pp. S10865-7); without amendment S. 2126, to make newly acquired farms eligible for the cropland adjustment program under certain circumstances (pp. S10867); and as reported S. 1657, to extend for one year the indemnity payments to dairy farmers who are directed to remove their milk from markets because it contains certain chemical residues (pp. S10867-8).
3. WILD RIVERS. The Interior and Insular Affairs Committee reported, on Aug. 4, during adjournment, with amendments S. 119, to reserve certain public lands for a National Wild Rivers System, and to provide a procedure for adding additional public lands and other lands to the system (S. Rept. 491). p. S10874
4. FARM LOANS. Passed as reported S. 1550, to amend the Consolidated Farmers Home Administration Act to provide for release of valueless liens. p. S10872
5. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 10738, the defense appropriation bill (S. Rept. 494). p. S10874
6. PERSONNEL. Passed as reported H. R. 5876, to amend the U. S. Code relative to codifying, repealing, and amending numerous personnel laws. pp. S10869-70
Sen. Williams, N. J., commended and inserted an address by Sen. Mondale, "Retirement and the Individual." pp. S10907-9
7. TAXATION; ECONOMY. Sen. Proxmire disagreed with the President's tax proposal and stated "there is no economic case for a tax increase now." pp. S10899-900
Sen. Hartke criticized the President's tax proposal as being "unwarranted and unjustified at this time." pp. S10950-2
8. POVERTY. Sens. Yarborough and Harris inserted articles which state that Dr. Billy Graham supports the poverty program. pp. S10902-3
Sen. Harris inserted an article describing the "success" of the poverty program. pp. S10906-7
Sen. Hickenlooper inserted an article, "Poverty Warriors: The Riots Are Subsidized as Well as Organized." pp. S10933-4
9. RECLAMATION. Continued debate on S. 1004, to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico. pp. S10916-32, S10934-44
10. COSPONSORS. Cosponsors were added to S. 2116, to establish a commission to study the organization of the executive branch; S. 1726, to amend the Antidumping Act; and S. 1796, to impose quotas on the importation of certain textile articles. p. S10882
11. RECREATION. Sen. Moss spoke in support of his bills to establish the Canyonlands National Park and to authorize a survey of roads and tourist accommodations to expand the recreational resources of the golden circle and the four corners areas and inserted a supporting article. pp. S10884-6

of break in the chromosome, is what we call cri-du-chat syndrome. The baby cries like a cat, not a human. The child is always severely defective, both mentally and physically."

In the first of a projected new series of Government-sponsored animal studies to determine the effect of LSD on heredity, Dr. Robert Auerbach and James Rugowski at the University of Wisconsin gave minute quantities of LSD to pregnant mice. Dr. Auerbach told me, "We got horrible malformations and brain defects in virtually all of the baby mice—so horrible, in fact, that we're running the entire experiment all over again, to be sure we haven't made a mistake."

Concerning possible LSD-caused chromosome damage in adults, Oregon's Dr. Egozcue lists, as the No. 1 likelihood, a change in the chemistry of the brain cells—which could account for the psychosis and epilepsy-like seizures already noted. (Brain-damage studies are underway now to attempt to confirm this supposition.)

While the world of science is expressing deepest concern over the new findings on LSD, the world of the acid-heads, apparently, couldn't care less. It simply moves on to bigger and better hallucinogenic drugs. Recently, for example, a new hallucinogen called STP by the hippies (after the powerful oil additive for automobiles), turned up in great quantities on the West Coast. In a two-week period dozens of victims showed up in California hospitals suffering the effect of STP, which is perhaps four times more virulent than LSD. One of the patients nearly died. He had taken chlorpromazine, normally an antidote for LSD. However, chlorpromazine actually intensifies the reaction to STP and can cause respiratory paralysis, convulsions and possibly death. Drug experts have identified STP as a combat weapon designed to incapacitate enemy soldiers, developed for the Army under the label JB 314.

None of this news seems to affect the pastoral calm that pervades the 2,500-acre estate in rural Millbrook, N.Y., where Timothy Leary presides over his colony—the Mother Church of his League of Spiritual Discovery. On a recent afternoon some 75 of his disciples wandered contentedly around the premises in blue jeans and sneakers. In a cottage called "The Bowling Alley," a card game was in progress on the floor in front of a solemn statue of Buddha, while a phonograph played Bob Dylan records. In a pale-blue outbuilding called "The Chicken Coop," a dozen hippies played guitars, pounded wooden staffs on the floor and recited what they called "The Hare Krishna Chant." It was as if they had never heard of chromosome damage.

But they had.

Eddie Schwartz, a Leary lieutenant, an artist, an LSD user for six years, said, "Acid is a very, very, highly dangerous drug. Every time you blow your mind, you might end up in the nuthouse. But to me it's worth the risk. If you're sincere with it, it works for you and not against you."

Asked about the new genetic findings in Buffalo, Portland and New York, Schwartz snorted: "It's just scare tactics by the Government. I'm not at all worried about what the doctors find. Doctors are programmed to the illnesses of the world, not the happiness. You can't cure happiness."

And the guitars played on.

[From the Washington Post]

WORSE DEFORMITIES FEARED IN LSD THAN
THALIDOMIDE

(By Nat Haseltine)

The mind-bending drug LSD may not only drive its user crazy but may be more deforming to unborn children than the sedative called thalidomide.

Severe malformation in the child of a young mother who, when pregnant, took a

single, presumably mild dose of LSD, have been recorded by a Portland, Ore., geneticist, Dr. Jose Egozcue.

The coincidence of LSD-taking and the birth of the child with faulty intestines and a misshapen head is not proof positive of cause-and-effect relationship, admitted Dr. Egozcue in the report published in today's issue of The Saturday Evening Post.

But, coupled with a recent report of experiments with LSD in pregnant rats by Dr. George Alexander of the Columbia College of Physicians and Surgeons, it tends to warn female hippies that if they take the drug only once, they may pay the price of malformed or retarded offspring.

The report recalled detailed studies of LSD dangers, including drug-induced epilepsy, leukemia, paranoia and schizophrenia.

The Portland study confirmed a warning issued four months previously by Dr. Egozcue and Dr. Samuel Irwin of the University of Oregon Medical School that LSD may be a chromosome breaker. Since broken chromosomes can be disastrous to the seeds of coming generations, the possibilities for hereditary malformations are endless.

Earlier, the two doctors had analyzed blood cells on eight LSD users and nine others who had not taken the psychedelic drug. Six LSD users, they reported, had abnormally broken chromosomes, and only one nonuser, a man who had undergone extensive X-raying, had any cell breakage.

CHROMOSOME EFFECT

In the two heaviest users of LSD, Dr. Egozcue found what appeared to be the so-called "Philadelphia-L" chromosome rearrangement which shows up in persons in the final stage of fatal myelogenous leukemia.

The magazine article says the medical school's call for volunteers of LSD users brought in the young mother and her child. According to Dr. Egozcue, the infant had Hirschsprung's Disease, a blockage defect in the lower intestine. Moreover, the right side of the baby's head was overdeveloped in relation to the left side of the head.

"The biggest problem, when broken chromosomes occur in parents, is mental retardation and other malformations in their children," said Dr. Egozcue. "Most frequently there is mongolism . . . (and) peculiar bone structure. One youngster had an enormous skull, the two halves of which were never properly close, and a double row of front teeth."

BEST NOT TO REPORT

To the hippies such cases are accidents best not to report, since they may close off the sources of LSD. The "acid-heads" (LSD users) try to hide and protect their accidents, according to Dr. Duke D. Fisher, psychiatric resident of the University of California at Los Angeles Neuropsychiatric Institute, who said his institute has "been overwhelmed with LSD cases."

Dr. Fisher told of one unsuccessful case that hides a "bad trip"—a Los Angeles man took the drug several times and became convinced he was an orange. He didn't want others to touch him for fear he'd turn into orange juice.

"This man is totally and perhaps permanently psychotic, but like thousands of other poor creatures wandering around in a dazed condition in hippie neighborhoods, his case will never be reported and he may never be treated. The hippie community brings food to the 'orange man' and they look after his basic needs," Dr. Fisher declared.

[From the New York Times, Aug. 3, 1967]

UNITED STATES IDENTIFIES STP AS CHEMICAL
DEVELOPED BY DOW

(By Harold M. Schmeck Jr.)

WASHINGTON, August 2.—The powerful mind-affecting drug called STP has been identified by the Food and Drug Administration as an experimental compound developed by a major chemical company.

Neither the F.D.A. nor the company knows how the formula got into unauthorized hands, spokesmen for each said today.

The compound is chemically related to mescaline, one of the most widely known hallucinogenic substances, and amphetamine, the stimulant.

The drug agency said today its scientists had identified STP as an experimental compound called DOM, developed by the Dow Chemical Company.

A spokesman for the drug concern said it was one of a group of compounds developed in the hope that some of them might be useful in treating some forms of mental illness. A patent has been applied for on the group. DOM itself has been sent to some scientific investigators for tests of its potential for this kind of use.

The spokesman would not identify the scientists nor their institutions, but said the compound was first distributed to them this spring.

USED ON WEST COAST

STP, as the compound is called among those who use it illicitly has evidently been rather widely used on the West Coast. It has a more powerful mind-distorting effect than LSD although on a weight-for-weight basis it is less potent.

The chemical company has not published information on the compound, nor allowed samples of it to get into the hands of persons other than the drug agency and the scientists, a spokesman for the company said.

He said the company did not know how the formula got out, but that checks of Dow's own inventories indicated that none of the illicit users has gotten it from that source.

Evidently someone has obtained access to the formula and has made further supplies.

This was described as a task not difficult for a qualified chemist, once the formula was known.

STP has been under investigation for some time by the drug agency. Its identity was discovered because of its chemical similarity to another compound of the same class on which Dow had applied for investigational new drug status.

The drug agency today identified STP as 4-methyl 25-di-methoxy alpha methyl phenethylamine and described it as "chemically related to mescaline and amphetamine."

Mescaline is a hallucinogenic drug derived from peyote, a cactus plant that has been used for centuries by some Indian tribes for ceremonial and religious purposes.

Amphetamine is one of several stimulants all closely related chemically. Among the best known such products are benzedrine and dexedrine.

The true identity of STP was discovered by a scientist of the drug agency who noted its chemical similarity to the drug named in Dow's application. A check with the company completed the identification.

The F.D.A. said Dow had cooperated fully in furnishing all available information on DOM.

"Little information on the toxicological, pharmacological, or therapeutic properties of the substance is available," said the drug agency announcement.

"Many persons who have allegedly used STP have suffered severe reactions, according to reports from a number of hospitals. Because of the lack of information about the effects of the substance, the F.D.A. considers its use extremely hazardous."

The name STP for the mind-distorting compound appears to be borrowed from that of a commercial motor oil additive.

NATIONAL MAPA CONVENTION ENDORSES BILINGUAL EDUCATION

Mr. YARBOROUGH, Mr. President, on July 14, 15, and 16 of this year, the Mexican American Political Association,

better known as MAPA, held its national convention in Riverside, Calif. This organization has long been active in public issues and causes that would bring equality of opportunity to the Mexican Americans of this Nation, and they have given their helpful support to S. 428, the bilingual education bill.

On the last day of their national convention, MAPA passed a resolution in support of bilingual education. I ask unanimous consent that the text of this resolution be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION, MEXICAN AMERICAN POLITICAL ASSOCIATION NATIONAL CONVENTION, JULY 14, 15, AND 16, 1967, RIVERSIDE, CALIF.

Whereas: This nation is actively engaged in promoting peace and understanding among non-English countries throughout the world, and

Whereas: A bilingual-bicultural curriculum will best meet the educational needs of Spanish-speaking students in the United States, and

Whereas: The present limited aid to education program guidelines do not specifically focus attention on the development of bilingual-bicultural education programs, and

Whereas: There are nine and one-half million Spanish-speaking persons in this Nation and its territories who would best develop their God-given talents in a bilingual-bicultural curriculum and,

Whereas: Specific funds for non-English speaking children would reflect a concern to perceive him, his language and his culture as an asset to society, and

Whereas: The goals of this nation are to prepare functioning citizens in this democratic society.

Be it resolved that the Mexican-American Political Association go on record in support of bilingual education—especially S 428 introduced by Senator Yarborough and HR 8000 introduced by Congressman Roybal.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CENTRAL ARIZONA PROJECT ACT

Mr. BYRD of West Virginia. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 395, S. 1004, the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 1004) to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Chair recognizes the Senator from Utah [Mr. Moss] for 1 hour.

Mr. MOSS. Mr. President, at the conclusion of my address last night in the Senate, I had pointed out that the longest oral argument made before the U.S. Supreme Court in this century did not come in any of the cases concerning the great social issues, or subversion, or the rights of accused persons, but the distinction went to Arizona against California, the water case to which I referred.

In the average case, the Supreme Court hears about an hour of oral argument. The tidelands oil cases involving Texas and Louisiana were allotted no more than 16 hours. Arizona against California was allotted 22 hours. Before the 22 hours of argument were heard, a special master was appointed. The first appointed master died, and a second was chosen. In total, their work took 8 years. The masters heard 340 witnesses, reviewed 25,000 pages of testimony, and reported findings in a volume of 433 pages. The final decree of the Court was handed down in 1964, Arizona won, and obtained the right to 2.8 million acre-feet annually of the Colorado's waters.

It is true that the West has always fought over water, while, to most of the Nation, water has been—like air—there for the taking. But 5 years of drought in the Northeast and a rising tide of pollution made the Nation aware at last of the incalculable value of this resource.

Increasingly, the control of water is the key to prosperity, growth, and political and economic power in the United States.

By the standards of the East, the Midwest, and the South permanent shortage of water is the condition of 40 percent of the land area of the contiguous 48 States—that region lying between the 100th meridian—Dodge City, Kans.—and the Sierra Nevada Mountains. It has an average annual rainfall of about 12 inches, less than a third of that enjoyed by the State of Virginia.

This vast region includes Montana, Wyoming, Utah, Colorado, Nevada, Arizona, and New Mexico. It includes eastern Oregon and eastern Washington; Idaho, except for the oasis created by the Great Snake River; and the western portions of the Dakotas, Nebraska, Kansas, Oklahoma, and Texas. Skirting the Sierra Nevada, it also includes the San Joaquin Valley and southern California.

The economic and political history of the West is tied to water; not only its ownership and use, but also the realities imposed by the precipitation figures. Such men as Maj. John Wesley Powell

warned that land use was limited by water availability. But business promoters and overanxious public officials convinced prospective farmers that "water followed the plow," and—three times—dry years followed wet to parch the land and bring varying degrees of disaster.

In the early 1890's, easterners flocked to the plains, hungry for land and eager to stake out new towns, which they envisioned as centers of agriculture and commerce. After 1885, a series of crop failures bankrupted the area, drove these people back East, and spawned the Populist Party.

The rains returned by 1897—and so did the farmers. This time, science played some part in their operations. There were the "rainmakers," who argued that concussion could induce rainfall, but there was also dry farming and the introduction of some drought-resistant plants. Then, in 1933, the effects of the great depression were compounded by another drought. For 4 or 5 years, author W. Eugene Hollon tells us, "the desert smoldered like a giant fire." The topsoil was blown away, and with it went the farmers again, this time to California. That drought led to the birth of the Soil Conservation Service.

The third time croplands were extended too far to meet food shortages was during World War II. Four years later, the dry cycle struck, but this time understanding of the land and preparation, in the form of greatly increased water storage, held down the losses.

America had learned the long, hard lesson that prosperity in the West depends completely on wise use of water.

The driest portion of the region I have been speaking about is that comprising the southwest quadrant of the Nation. It is also our fastest growing area. Here, precipitation seldom falls except in the mountains. For the most part, the clouds move over the flat lands, releasing no moisture and soaking up by evaporation a great deal from rivers, lakes, canals, and irrigated lands. When the mountains are reached, the precious water is discharged. Often, the winter's stock of snow moisture is the only water supply to the dry valleys in the summer.

Huge areas of the arid West grow no crops, because agriculture is dependent on irrigation fed by reservoirs or by pumping of ground water. Throughout much of the region, cattle and sheep raising is the largest volume agricultural activity, and great acreages of irrigated land are used only to grow hay for winter forage.

In 1902, the Bureau of Reclamation was created in the Department of the Interior to develop the water resources of 17 Western States, to "reclaim" land for agriculture. Ever since, the Bureau has been a major factor in the economic life of the region.

For many reasons, the early reclamation program mired in financial difficulties. For one thing, land speculation made it hard to pay back water project costs. For another, not enough was known to build satisfactory dams or to locate them properly. In 1924 a fact-finding committee made a series of rec-

ommendations. These led to comprehensive economic feasibility studies of every water project. The addition of hydroelectric power as an income-producing factor, made the projects sound financially while reducing water costs to the users.

Let us turn now to the Colorado River which drains a 250,000 square mile area of the southwest quadrant and is the lifeline to one-twelfth of the land area of this Nation. It is an area that, to those who saw it early, promised little. Lt. G. C. Ives, the Army officer in command of the first navigation up the Colorado, wrote:

The region . . . is, of course, altogether valueless. It can be approached only from the south and, after entering it, there is nothing to do but leave. Ours was the first, and will doubtless be the last party of whites to visit this profitless locality. It seems intended by nature that the Colorado River, along the greatest portion of its lonely way, shall forever be unvisited and undisturbed.

Scarcely more than a century later, that waterway is the most completely harnessed and regulated major river in the Nation.

The Spaniards discovered the river. The conquistadors looked out on a river heavy with silt and named it Colorado—Spanish for red. It was later nicknamed the "Big Red" by early American settlers, who feared the murderous floods that came each year, but could not survive without the river's precious waters.

Not until 1922 were the initial steps taken to harness the river. Meeting that year in Santa Fe, representatives of the basin's seven States drew up the Colorado River Compact, which divided the river into an upper basin—Colorado, Wyoming, New Mexico, and Utah—and a lower basin—Arizona, California, and Nevada. The dividing line between the basins is at Lee Ferry, south of the Arizona-Utah border.

The compact allotted each State a share for all time to come. The lower basin States were given an entitlement of 75 million acre-feet, every 10 years, plus an additional million acre-feet a year when available; the upper basin States could retain and use 7.5 million acre-feet per year or the part thereof available after the lower basin allotment and the Mexican allotment had been supplied. Mexico was to get an unstated share to be established by a United States-Mexican treaty. Should no surplus exist for Mexico, each basin was to allot from its own supply half of Mexico's entitlement. By treaty, Mexico now is entitled to 1.5 million acre-feet annually. If the lower basin receives 7.5 plus 1 million acre-feet, and Mexico receives 1.5 million, then the upper basin may retain water in addition to its basic entitlement.

Here is the genesis of the struggle over this bill today—signatories to the 1922 compact proceeded under the belief that the Colorado flow averaged 18.5 million acre-feet each year. This would have been more than sufficient to meet allocations to the upper and lower basin States and Mexico, with enough left over to cover evaporation losses which were estimated between 750,000 to 1 million acre-feet. The signatories were too optimistic. Flow at Lee Ferry averaged only 13 mil-

lion acre-feet annually from 1930 through 1964, short more than 5 million acre-feet a year.

The upper basin States divided their share of the river in 1948. Acrimony and ultimate resort to the courts has dogged the lower basin. However, the 1922 compact paved the way for construction of the great dams that have harnessed the Colorado and stored its water. In 1928, Congress passed the Boulder Canyon Project Act authorizing the Bureau of Reclamation to build Boulder Dam—later Hoover Dam.

The key to downstream regulation and control, Hoover Dam began to store water in 1935. The dam impounds water to form Lake Mead, which has a maximum storage capacity of 29.8 million acre-feet of water—about 2 years of average river flow.

The Boulder Canyon Act also authorized construction of the All-American Canal System and the Imperial Dam and Desilting Works. Water entered the All-American Canal in 1940.

Davis Dam, completed in 1963 in accordance with terms of the United States-Mexican treaty, regulates flow into Mexico. Parker Dam, 88 miles further downstream, was completed in 1938. Lake Havasu, the reservoir impounded by Parker Dam, holds the water that would be pumped to the central Arizona project.

There are some who, in the name of preservation, argue that dam building on our major rivers is uneconomic—even wasteful. The benefits from Hoover Dam should convince them that multipurpose dams in the West have proved their worth through experience.

Since 1935, there has not been a major flood or drought on lands served by the Lower Colorado. Hoover Dam stores water for irrigation, industrial use, municipal use, and recreation. Fish and wildlife have prospered. More than 3 million visitors a year come to see, swim, boat, water ski, and fish on 115-mile-long Lake Mead. Thanks to Hoover Dam, the Colorado now provides some 80 percent of the water used by southern California. Water stored in Lake Mead irrigates three-quarters of a million acres of land in the United States and another half-million in Mexico. Economically priced water is made possible by the nearly 1.4 million kilowatts of power generated at the dam and purchased at bargain counter prices by consumers in southern California, Nevada, and Arizona. Water delivered by the All-American Canal has produced crops worth some \$2.5 billion in 25 years. Crop wealth is 37 times the Federal investment. Water users are repaying 92 percent of the \$65.5 million Federal construction outlay for irrigation.

Years of planning to control and conserve the waters of the upper basin of the river culminated in 1956, when Congress authorized the Colorado River storage project. Four major storage units were approved: Flaming Gorge, on the Green River in Utah; Glen Canyon on the Colorado River in Arizona; Navajo, on the San Juan River in New Mexico; and Curecanti, on the Gunnison River in Colorado. The first three are completed. Construction is proceeding on Blue

Mesa, one of the three dams of the Curecanti storage unit.

The four-State upper basin project will have a total reservoir capacity of 34 million acre-feet and an electric power capacity of 1.3 million kilowatts. Glen Canyon is by far the largest of the storage units. Its dam—710 feet high—backs up Lake Powell, which, when full, will be 186 miles long and have a shoreline of 1,860 miles. The reservoir will store 27 million acre-feet of water and provide 900,000 kilowatts of power.

The question has been asked: Why was Glen Canyon Dam built, since not a drop of irrigation water will be taken from it?

This is a question of utmost significance to the issue before us. The answer is that it was built to make it possible for the States of the upper basin to take physical possession of—to put to use—their legal share of the river's waters. Glen Canyon Dam and the other storage reservoirs make it possible to retain damaging flood waters to be used later to satisfy water rights downstream. Then the upper basin States can divert waters upstream to satisfy the needs of their farms and industries and cities. I remind the Senate today that the Congress approved a great Federal investment to make possible this arrangement that will be jeopardized should this bill be enacted. Moreover, dams make certain that the Federal investment will be paid off and that revenues will be available to help finance the needed upper basin "participating projects."

Under the terms of the Colorado River Compact, the lower basin must receive its share of water even if there are several years of low flow. Under the law that governs water use, the upper basin cannot draw irrigation water from the tributaries of the Colorado—and thus put to use its legal share—unless its compact commitment to the lower basin can be met. By keeping water on hand, the storage dams guarantee that the lower basin commitment will be met. Let me emphasize again that the dams are also the "cash registers" for the project. Sale of hydroelectricity produces most of the revenue to pay back the U.S. Treasury for its advance construction funds. Hoover Dam will be paid off in 1987, after which \$11 million of electric power revenue will be available each year to help pay for other lower basin projects, or to be returned to the Treasury. If the electricity rate to consumers is made more realistic, there will be additional millions of dollars.

Water users will pay only about 5 percent of Colorado River storage project—upper basin—costs; sale of power will yield the other 95 percent to repay the Federal outlay. Power is fed into a massive grid connecting both private utility and public power resources. This income from sales of power and water goes into a "basin fund" for the upper basin which is used to repay costs and interest to the U.S. Treasury, and to make assistance payments to other upper basin projects.

The upper basin can put to use the water of Colorado's tributaries through "participating projects." An example is the central Utah project, which will take water from smaller streams that flow

into the Green River, a main arm of the Colorado River, and divert this water to some of Utah's populous areas. Eventually, the Green itself will be tapped for use in the Colorado Basin. Potentially, there is room for more than forty participating units within the storage project—upper basin. Four have been completed, and some 24 are in various stages of construction and planning.

Thus reclamation is made possible because surplus flow in the spring and in wetter years can be stored for use in the summer and in dry years. There are losses from evaporation, but they are small compared with the waste that takes place where river waters flow unused to the sea. There are losses from seepage into porous sandstone walls of canyons, but most will return during dry periods when the reservoir level sinks below the upper line of the stored waters.

Inability of lower basin States to reach agreement on division of allotted water caused Congress, when it passed the Boulder Canyon Act; to lodge ultimate responsibility for division in the Secretary of the Interior. The act provides that in years when the flow past Lee Ferry totals 7.5 million acre-feet, plus 1.5 million for Mexico, California will receive 4.4 million, Arizona 2.8 million, and Nevada 300,000 acre-feet. Any lower basin surplus over 7.5 million and over 1.5 million for Mexico will be divided equally between Arizona and California.

Disagreement over these lower basin allotments was finally resolved by the Supreme Court's ruling on Arizona against California.

ABOUT DAMS ON THE RIVER

When Glen Canyon Dam was built, Congress was almost inundated by mail from the status quo conservationists. The question they raised was whether the values created by the Colorado River storage project exceeded the values of nature undisturbed.

One facet of importance to this discussion of water needs to be examined in detail: preservation versus development. This is behind the blind and strident opposition to any dam or reservoir on the lower part of the river. It is masked behind the allegation that the Grand Canyon will be flooded. This is laughable. Not only would the Grand Canyon not be flooded by the Hualapai Dam and Reservoir, but the water would be unseen from the canyon rim. However, people would be able to boat upon the surface of the lake and view the Grand Canyon from the bottom—an experience now reserved to a very hardy few.

What are we to strive for—opening up more areas for recreation use or keeping them undeveloped and unseen and therefore unspoiled? My answer is: strike a balance.

It is desirable that some stretches of scenic rivers be kept in their natural state, and that dams and marinas be kept out. This I believe and support, and this will be done through the legislation to create a wild and scenic rivers system.

Moreover, from the economic point of view, the wonders of nature can be among the greatest assets of a region if they are wisely protected and attractively presented to the general public. These

are the tourists who cover our land. They are the taxpayers who own these wonders. They are entitled to visit and view. But without access at modest cost, they are denied this privilege.

But, every mountain stream need not be turned into a lake for mass recreation, just as every undeveloped and unpolluted stream cannot be set aside for the use of a few or left unused simply because that is how it has always been. New high-density water recreation areas must be created. New recreation areas for less intensive use must be created. And a few truly wilderness streams should be protected and cherished.

This is being done. Conservation is not being forgotten. There are now two national parks on the Colorado gorge—Grand Canyon and Canyonlands. Through them the river will run forever free.

Based on personal observation as well as congressional investigation, it is obvious that Congress made the correct choice in authorizing Glen Canyon Dam.

Years ago, I had the opportunity to go by boat down the Glen Canyon of the Colorado. We used to float past the dam-site before construction began, and I have always been grateful for the experience. But this was not a trip to be recommended for most, since it was too hard a journey for the very young or the old, and it took several days to complete, camping on sandbars and drinking river water.

The view of the canyon from the muddy surface of the river was awe-inspiring; but the view is even better today. And today, Lake Powell is the crown jewel of this scenic area, which has been opened up to the many who come to see, swim, boat, fish, and enjoy the outdoors. Those who visit Lake Powell return home enriched by their look at a magnificent setting created jointly by man and nature. The towering multicolored cliffs, changing color as daylight shifts to evening, are made more beautiful by their contrast with the blue waters added by modern engineering.

As it ran downstream before Glen Canyon Dam was built, the Colorado River was red with sediment. Oldtimers said it was too thick to drink and too thin to plow. Lake Powell's waters, nestling within the time-carved orange-red sandstone canyons, are now a deep blue.

Critics complain that Lake Powell has covered irreplaceable natural beauty that should have been left untouched. But without the reservoir, water for tomorrow would not be available. The untouched beauty of yesterday was available only to a hardy handful who entered the area by river raft. Today's beauty is for all to enjoy. Preservation has an important place in water use planning, but not at the expense of essential water conservation.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. ALLOTT. I am very interested in the discussion of the Senator with respect to recreation, because it is a matter that has caused all of us much concern over the years.

Does the Senator have at this moment any figures relative to the number of people who have used Lake Powell for recreation during the past year?

Mr. MOSS. I do not have the precise figures available, but I do know that they exceed a half million. Lake Mead is now used by more than 3 million people a year. I believe that the number of people using Lake Powell will equal this figure as soon as there is adequate access to the lake. The lake is very remote, and roads have not yet been built to the shoreline.

Mr. ALLOTT. So that, actually, with respect to the Lake Powell situation, in excess of a half million Americans a year have access to a great recreation area, whereas before the construction of the lake, there was only a handful, literally?

Mr. MOSS. That is very true.

The Rainbow Bridge National Monument illustrates this fact perhaps best of all. This is the greatest sandstone arch in the world, beautifully set just off the shore of Lake Powell. Presently, people can go by boat and land within a mile of the base of the bridge and take an easy trial up to see it, and they do this by the thousands.

Rainbow Bridge has been a national monument for half a century, yet just the barest handful of people have been able to get there. It is a 14-mile hike or muleback ride to come in overland from the Arizona side. Previously, people could go by river for 2 or 3 days and then hike 6 miles up to see Rainbow Bridge. More people now see Rainbow Bridge in a week than did so in a year in the 50 years before.

Mr. ALLOTT. As an example, although I have been in the southeastern portion of the Senator's beautiful State several times—in my opinion, it is one of the outstanding scenic areas in the world—I do not know how one can approach the fantastic rock formations which are found in that area, down toward the Four Corners area and up north and west of there. Unfortunately, although I have been in that area several times, I have never had an opportunity to see the Rainbow Bridge.

I have one other question along the same line: Is it not true that there is no access, except by a very good jeep or by horseback, into the area where the Hualapai Dam would be created?

Mr. MOSS. That is true. It is almost totally inaccessible.

Mr. ALLOTT. Is it the Kanab Indian Reservation that one can go through to get to that area?

Mr. MOSS. No. That is farther up river. I believe one must go down onto the river and come along the river bottom to get into the Hualapai area where the dam would be built.

The point I was trying to make is that this area is nestled in the bottom of a canyon, and it is so far down that one cannot stand on the rim of the Grand Canyon and see the area where this water would back up if the lake were formed down there. Therefore, the great wails and cries that go out, and the articles that appear in national magazines, saying, "Don't flood the Grand Canyon,"

are ludicrous. Not only could you not flood Grand Canyon; you could not even see the water from the rim of the canyon if the lake were impounded.

Mr. ALLOTT. As a matter of fact, so that the record will be perfectly clear, the Colorado River forms a portion of the western boundary of the Grand Canyon National Park. Is that not true?

Mr. MOSS. That is true.

Mr. ALLOTT. And contrary to the information particularly put out by the Sierra Club and other similar organizations, no part of the Grand Canyon National Park would be invaded except that portion from the center of the stream out to the edge of the reservoir, and in no place would the reservoir actually back into the Grand Canyon National Park. Is that not true?

Mr. MOSS. The Senator is correct. The very maximum elevation that the lake would reach would be that it would touch Grand Canyon National Park for 13 miles on one side of the reservoir. It would not intrude into the reservoir, but it would touch the Grand Canyon National Park for 13 miles.

(At this point, Mr. CANNON assumed the chair as Presiding Officer.)

Mr. ALLOTT. The Senator is well informed about this area. Would it be safe to say, and would it be in line with complete logic and objectivity that whereas perhaps a very small handful of people out of the entire population of the United States have the money, time, and health to get into this area where the Hualapai Dam would be constructed and see it, if the dam were constructed, it would open up a vast recreation area that could compete with Lake Powell or Lake Mead where so many people have found recreation and fun?

Mr. MOSS. The Senator is correct. That is the purpose of my dwelling on Lake Powell. As the Glen Canyon Dam was planned and built, we had the same objections that it would drown out the canyon and ruin the beautiful formations. There was an emotional campaign in connection with permitting any finger of water from protruding against the Rainbow Bridge Monument.

As the Senator said, hundreds of thousands of people in the United States, the people who own that area, can go there now and enjoy these beauties and they can see Rainbow Bridge. Beyond that, the scenery has been enhanced. They can look out upon the surface of a beautiful green-blue lake, a sight that very few persons had seen before because it was not possible to get there before due to the fact that if one were down on the river bottom he could not climb into that area and no one could come in from the top. That area was not even seen by Indians.

Mr. ALLOTT. This is true, is it not, even with archeological resources? Perhaps these sites have been seen by one individual, maybe one of our old desert rats who was looking for uranium or gold, but otherwise they were never seen by hardly anyone.

Mr. MOSS. The Senator is correct. That was our experience in connection with Lake Powell. A similar situation would exist on Hualapai. In this case, the

people of the United States would have a chance to come and go on the surface of that lake and be able to look up and see the great massive walls and great expanse of the Grand Canyon. Older people would be able to do that, or people who had only a few days to spend there, or the very young. In fact, the great mass of people could go there because it would be economic. Now, the only way to get there is to float down the river on a raft, which takes money and time.

Mr. ALLOTT. It takes money and time, and a hardy disposition. Is that correct?

Mr. MOSS. The Senator is absolutely correct.

Mr. ALLOTT. Will the Senator yield for another moment or two?

Mr. MOSS. I will be glad to yield.

Mr. ALLOTT. I have been concerned for a long time, as I am sure the Senator has. We have in this country a vastly increasing number of people who have reached the age of retirement at the age of 60, 62, or 65, who retire on either private pension funds from organizations for which they have worked, or on social security. These are people who have been at a desk working all of their lives. They have not been able to get there. It would be foolish for them to go there and attempt to cope with the rigors of a float trip down the river. We have millions of people who reach that age in life who are looking forward to receiving a few of the rewards of the things they have worked for all of their lives. With the situation the Senator describes, this place is forbidden to them for practical reasons and financial reasons, because it is expensive to do, and for physical reasons, because they are not strong enough. These people perhaps have spent all of their lives at a lathe or at a desk or in some occupation and they cannot go through extreme physical rigors. However, this would open it up to these people who have reached retirement age and who have a right to see this area for the first time, because they have been busy raising their families; it has taken all of their money to raise their families and to educate their children. Those persons would be able to see for the first time and have access to this gorgeous area which they could never hope to see and never have access to, because of the way the situation now exists. Does the Senator agree with that statement?

Mr. MOSS. I agree entirely with the Senator. The Senator describes the situation very well. We are now experiencing a veritable explosion of outdoor recreation which consists largely of touring, getting a little camper and going about, and a great proportion of that explosion comes from retired people, as the Senator has pointed out.

One of the facets of the outdoor recreation explosion is water recreation. Water recreation has grown a great deal faster than any other area of recreation in this country in the last 5 or 10 years. Water recreation is being sought everywhere one turns. The dry desert country, which is fantastically beautiful, is very lacking in water except for the one river that goes through the area. To create a lake is to create wealth untold for people to come there, enjoy recreation,

and have those beauties available to them, as the Senator described.

Mr. ALLOTT. It is creating almost a second heaven where people with limited physical capability and limited financial capability could come and not only enjoy the wonderful scenic areas there, but also fish, that great American pastime which we do not get to enjoy too much down there.

I believe the Senator has made a real contribution in pointing this out. From a recreational standpoint I do firmly believe that we will accommodate hundreds of thousands of Americans, the very young, the elderly, the physically infirm, who would never and could never hope to have a look at that area in any other way.

I appreciate the Senator's remarks.

Mr. MOSS. I thank the Senator.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. HANSEN. Mr. President, I compliment the Senator on bringing to the attention of the Senate a number of important facts and valid considerations that I think should enable all of us to make a more accurate judgment in connection with this entire question.

The Senator has spoken specifically about the physical situation as he contemplates what would result were the Hualapai Dam to be constructed.

I wish to ask the Senator if he is familiar with the Flaming Gorge area which is so important to his State of Utah and my State of Wyoming.

Mr. MOSS. I am very familiar with the area. I must make a confession and tell the Senator that last week I was on the lake there, where the fishing is superb. This is similar to what I was talking about with respect to Lake Powell. Lake Powell is a deep lake which got its name from John Wesley Powell when he went through there 100 years ago. It is a great, beautiful gorge, filled with blue-green, clear water and it comes out of Utah where the dam is located and goes on up into Wyoming for 100 miles. I do not know whether this should go in the RECORD, but I must say that the fish are a little bit bigger in Wyoming than they are in Utah.

Mr. HANSEN. I thank the Senator for admitting something that Wyoming has long contended to be a fact; namely, that the fish in Wyoming are slightly larger than they are in Utah.

The Senator is making such an excellent statement this morning. Because he is a leader in the field of resource conservation, he recognizes, as I do, the important contribution that these areas of pristine excellence contribute to all the people.

Utah possesses a number of the most important jewels in the national park system. In Wyoming, we are proud to claim title to the major part of the first national park—Yellowstone. In addition to Yellowstone in my own country—Jackson Hole country—there is the Grand Teton National Park.

Thus, each of us, I am sure, has more than an average perception of the importance of preserving untrammelled and unspoiled the pristine character of the

unique areas; yet, at the same time, we recognize that in Flaming Gorge we have brought a great deal of enjoyment to increasing numbers of people. Equally important, a recreational asset is available for a great many people would be denied the benefits which come from fishing, boating, and sightseeing on the important reservoirs. Does the Senator agree?

Mr. MOSS. I agree entirely. I appreciate the Senator's comments about this. I was recently in that beautiful area of the Grand Teton National Park and Yellowstone Park. What a wonderful outdoor scene it is. As I viewed it last, the thought came to me, as I went across the dam which raises Jackson Lake, what a thing of great beauty it is to have Jackson Lake. How superb it looks lying across the face of Grand Teton with Mount Moran in the background.

To think that if the preservationists had been busy then we could never have created a national park in that area by raising the dam and making the lake larger, because they would have charged we were changing nature and therefore the whole thing should be rejected. Yet, the lake would have been flooded had it not been for placing a small earthen dam against it, with a spillway out of it. By doing that, Wyoming has not only created additional beauty and an additional recreation area, it has also been able to control the flow of the Snake River and keep it running at a regulated amount of water all during summer months. So that now one can go out on the Snake River and boat and fish, or whatever else one wishes to do downstream from that dam all during summer; whereas, as it was before, early in the year, there were floods and damage and resultant low water where one could almost jump across it late in the year. That is what used to happen. That is what used to happen with all the rivers down there, which broke out, we will remember, for 3 years to create Salton Sea. But the river was brought under control. Yet late in the year, the water would be so low that we could literally jump across it. Now it runs all year round and runs at a relatively steady pace.

Thus, we have created this additional recreational beauty spot and wonder, in addition to making the lake.

Mr. HANSEN. I thank the Senator for calling attention to the successful coordination of the use of our resources in order to serve many purposes. I think the Department of the Interior has struck out in creating some bold new approaches. The impact of the population has demanded it, that we make multiple use of all our resources.

I should like to point out, it is certainly true that a great many people will use or presently use Flaming Gorge, as I suspect and I know they will use Hualapai, when and if it is built.

After all, many of us could be retired and in our old age by that time—which many of us look forward to with some misgivings. I am one who contemplates old age as not being so bad when we consider the alternatives. Because of that, I think it is understandable that last year, in Flaming Gorge, I am told, there were more than a million and a half

people who enjoyed that area. I remind the Senator that a million and a half persons is over half the total number that visited Yellowstone Park last year. My prediction would be that because of the extended period of use of this area, the time is not far distant when there will be more persons enjoying Flaming Gorge annually than those who visit Yellowstone annually. I suspect that the same thing will be said, at a later date, about Hualapai. This is a great area but is presently restricted only to those who have the unique qualifications of being vigorous, young, and with sufficient time for that kind of vacation.

Mr. MOSS. I thank the Senator, and I agree with his observations. I appreciate his comments on this matter.

Mr. President, let me sum up by saying that Lake Powell is an outstanding example of the kinds of balancing required by today's realities. The waters provide 1,860 miles of shoreline in one of the Nation's most scenic water recreation wonderlands. Recreation areas being completed will provide accommodations for all budgets—those of low-income campers as well as those who can afford luxury. Rainbow Bridge, a beautiful national monument in the State of Utah, was once accessible only to a very few who boated and hiked, or packed into the rugged country. Vacationers at Lake Powell may now take a boat to floating docks at the entrance to Rainbow Bridge Canyon, then walk the trail along the canyon's side. Undamaged by the water, Rainbow Bridge soars high in arched and graceful sandstone beauty carved by time, wind, and rain.

What I have said about Lake Powell and Glen Canyon is applicable to Hualapai Dam in Bridge Canyon. A great blue-green lake below the Grand Canyon National Park would be a tourist mecca in addition to providing storage capacity, hydroelectric power, and water for the Hualapai Tribe of Indians. Hundreds of thousands of people would come to enjoy water recreation and to view the Grand Canyon Gorge from the bottom.

The fact that the lake created would touch the border of Grand Canyon National Monument for a few miles at its extreme western end would not detract from this great scenic wonder. However, should there be objection to this change of the natural state, a very small slice of that vast National Park could be severed, at the same time that great areas are, by statute, added to it in the Marble Canyon Gorge and on the north rim of the Grand Canyon.

DIXIE PROJECT

Mr. President, I turn now to a brief discussion of the Dixie project. Since the occupant of the chair, the distinguished Senator from Nevada [Mr. CANNON], is from this area, I think it very appropriate to describe it at this point.

In talking about the Dixie project, many of my colleagues may be surprised to hear it brought up again, since they voted for it 3 years ago. The path to its completion has been strewn with difficulties, and so my State of Utah is still engaged in the struggle to make Dixie a reality.

As we know, this struggle is of long duration—more than 25 years.

The Dixie project is located in the Virgin River Basin in southwestern Utah. The river rises in the high plateaus and mountains of western Kane County, and flows through Iron and Washington Counties in Utah, across the corner of Mohave County, Ariz., and discharges into Lake Mead in Clark County, Nev., making it a part of the Lower Colorado River Basin.

The area is known as the Dixie of Utah because of its moderate climate and the fact that cotton was grown there when it was first settled.

There is available in the valley considerable water. The river reaches flood proportions in the spring and dwindles to a very limited supply in other months. Average rainfall is 8.42 inches. There are land and resources for both the production of crops not in surplus and for industrial development.

Following passage of my Dixie project bill in 1964, the Bureau of Reclamation conducted complete engineering feasibility studies as is the agency's regular procedure. It was discovered that the damsite chosen was underlain with porous rock and would not hold water. The dam could not be made secure. An alternative site was found which was otherwise satisfactory but at which electric power could not be generated. This placed the project beyond the capacity of the water users to repay, and made essential the provision of financial assistance.

The financial problems for Dixie were aggravated because of the strict provisions insisted on by the House Interior Committee, provisions which I commented on in 1964.

While I was elated to have House action on the project for which the people of southern Utah had waited so long, my elation was considerably tempered by the House amendments.

That committee amended my bill abandoning the concept recognized in Central Valley, Missouri Basin, and other reclamation legislation that a project should bear the costs of necessary highway relocation in the reservoir area. The House Interior Committee, however, amended the Dixie bill to shift about \$2 million to the shoulders of the State and to the power consumers in the area. The costs of relocating the highway fell on the State of Utah and on the citizens of St. George through increased power rates. There is no precedent for shifting the road costs to the State, but this amendment was not successfully opposed in the House.

The House committee also rejected a Senate provision allowing the repayment of \$3 million of project construction costs from Hoover Dam revenues. This provision also followed a pattern which had been set. Excess costs are repaid by the power revenues in basin accounts in most areas. But the House struck this from the bill. The Dixie project is in the lower basin of the Colorado River, where huge power revenues are available from the great Hoover Dam and other dams on the lower Colorado. Three million dollars is a very minor part of those revenues,

yet of greatest importance to a small project like Dixie. It did not seem fair to deny this power revenue support just because no lower basin fund was then in existence.

In anticipation of the establishment of such a fund—which we already had in the Upper Colorado River Basin—the Department of the Interior interposed no objections to plans to allow the project to use this small portion of Hoover Dam revenues. The Senate agreed that this was fair.

I served notice then that I would make an effort, when the lower basin account bill was before the Senate, to amend it to lessen the burden placed by the House bill upon the power and water users of the Dixie project.

When one understands the difficulties that beset the project, and recalls the legislative history, it is plain why I could not turn my back on the Dixie project now.

My somewhat testy reaction to the changes made in the Dixie reclamation bill by the House Interior Committee was heightened, I will admit, by the provisions of another reclamation project reported only a few days before the Dixie project. I am referring to the Savery-Pot Hook project for Colorado and Wyoming. As chairman of the Senate Irrigation and Reclamation Subcommittee, I was asked by the House committee to schedule hearings on this measure as soon as the House had acted on it—which I did within the week and with pleasure, even though we were in the last days of the session.

The Savery-Pot Hook project pays back a much smaller percentage of its costs than will Dixie.

The farmers who will use Dixie water to irrigate their farms must pay back over half of the irrigation costs of the project; the farmers who will use Savery-Pot Hook water will pay back only one-eighth of the project irrigation costs.

Again, the ad valorem tax to residents of Washington County, site of the Dixie project, is 5 mills countywide; Savery-Pot Hook residents will pay less than 2 mills.

I realize that the Savery-Pot Hook project is a high-altitude project, with limited acreage to be brought under cultivation, while Dixie is located in a section of the country where the climate is mild and where it has been proved that water can create lush green fields growing a variety of crops in an extended growing season.

Savery-Pot Hook operations must, therefore, be large-scale farming operations, since it will require a large unit to make them economical. Dixie, on the other hand, will bring water to many small farms, of limited acreage, some of them inadequate for more than marginal living. So when the Congress made it more difficult for the Dixie water users to pay out their project, we put a greater burden on the small farmers on the postage-stamp farm. This I could not accept without making vigorous objection.

The Dixie project is an excellent project. The cost-benefit ratio exceeds 2.2 to 1. It is of regional and national, as well as local, importance.

The opportunity to repair the deficiencies in the 1964 Dixie bill arrived with the bill before us. I felt that I could not permit the bill to authorize the central Arizona project to come to the floor containing a lower basin development fund that did not make that fund applicable to the Dixie project. Therefore, I requested an amendment to include Dixie, and when that amendment was accepted I voted to report the bill. No matter how imperfect S. 1004 is otherwise, Dixie is protected. If the entire bill cannot be perfected and if the imperfect bill passes despite my opposition to it, Dixie yet will be protected.

I should like to read a paragraph from page 51 of the report on the bill. I do this because it has been erroneously stated in several instances that the Dixie project would not enjoy the non-reimbursable feature of fish and wildlife since it was not referred to this legislation. I read from page 51 of the report, referring to section 2(j) of S. 1004:

SECTION (2)

The Dixie project, located in Utah, has been authorized but is not yet under construction because present studies indicate it will be \$25 to \$30 million short of being able to repay the reimbursable costs. This amendment provides that the Dixie project may receive financial assistance from the development fund and thus become a financially feasible project.

It is the intention of the committee that the provisions for the repayment of the Dixie project remain as far as possible in accord with the project's authorizing legislation (Public Law 88-565, 78 Stat. 848). Costs allocated to recreation and fish and wildlife are to remain nonreimbursable as in the original authorization.

I am sure this is in accord with the law. These funds having been originally made nonreimbursable, there could be no change in the law without specific reference to repeal of that section.

Without storage of high-water flows to increase the reliable year-round supply, to agriculture, to the towns of St. George and Hurricane and to other communities, growth in the valley will be limited. The reservoirs will service the area for increasing numbers of tourists and visitors to Zion National Park, Dixie State Park, Cedar Breaks National Monument, Bryce Canyon National Park, and other scenic and recreational areas in southwestern Utah. Visitors there will increase even faster when Canyonlands—a little to the east—is fully developed as an outstanding national park in southern Utah. There is, consequently, real national, as well as State, interest in the Dixie development.

WATER NEEDS

So much for past history. Let us remember that we, too, are making history.

This August of 1967 is no time to be enacting water legislation tied to narrow sectional interests. Such a bill as this might have been appropriate 30 years ago; today it is an anachronism. It is a horse-and-buggy legislation in a day when rockets orbit the earth. This bill deals with one small facet of the water problem and in so doing jeopardizes the rights of several States. It should take the long view and deal with interbasin transfer and river augmentation.

The PRESIDING OFFICER. The Senator's 1 hour has expired. Does the Senator wish to be recognized?

Mr. MOSS. I would like to be recognized so that I may continue.

The PRESIDING OFFICER. Without objection, the Chair recognizes the Senator from Utah.

Mr. MOSS. The water story of America this year is a national story—and it is frightening.

In fact, the water story today is a cliff hanger.

Will America find ways to meet its growing water shortage?

Will we stop using and misusing and generally wasting our water resources as if there were no tomorrow?

Will we stop polluting our rivers and our lakes, creating health hazards for our people, killing off our fish, and desecrating our recreation areas?

Will we glut the beautiful Ohio with garbage?

Will we let the Great Lakes die?

Will we awaken one morning to find that we have run out of clean water in some sections of our country, and out of water of any kind in others?

No one can answer that today. Ask again in 1980.

Find out whether the people in the richest nation in the world were sufficiently awakened in the sixties to do the things which must be done in the seventies to prevent the country from going through its water ceiling in the eighties.

Learn whether we made enough progress in discovering and employing revolutionary techniques in water resource development and conservation to keep our faucets from running dry, our crops from turning brown, and the wheels of our industry from slowing down and stopping.

Learn whether we kept our water sources clean, our water wastage down, our water reuse cycle high—whether we found out how to control “water hogs,” how to bridle unreasonable water use, how to impose disciplinary measures to control waste—whether we discovered how to desalt water cheaply, and how to make rain fall where we want it.

Find out whether we learned how to put to beneficial use surplus water through interbasin and intercontinental water transfer.

Learn whether we saved enough of the precious liquid through recharging of aquifers, and through multiple-use projects to increase supplies of municipal and irrigation water, to improve navigation, to control floods, to provide more power, to create new recreational areas, and to protect our wildlife.

I believe that America will win this water fight.

I say we will win because both the private sector and government, from the county level up, are beginning to realize the immensity of our water problems and are moving to conquer them.

And, finally, I say we will win because the people themselves are awakening to the perils of our water pollution and the vulnerability of our water supply and they are beginning to insist that more be done, and to support financially the doing of it.

The breakthrough to the man on the street is the crucial one. For years, as the Senate well knows, water has been discussed back and forth in the jargon of water experts, resource engineers, technicians, lawmakers, and departmental authorities. But today the pollution of our waters and the ebbing of our supplies is a subject for discussion in editorial columns, in magazine articles, in television specials, in civic clubs, and over backyard barbecue pits.

Many forces have converged to make water of such commanding interest. A real impetus came from the report made by the Select Committee on National Water Resources, on which I served.

Some have forgotten, perhaps, that—8 years ago—the Senate was so concerned about the state of our wastes that we appointed a select committee to study and report.

This committee inventoried our water resources and projected our requirements through 1980, and supplied us with the hard facts.

But it took a whim of nature to dramatize our troubled waters—to make water breakfast table conversation. A shift in wind patterns, causing rain to fall over the ocean rather than upon the coastal areas, greatly reduced, for several years in a row, the normal precipitation which fell from New Hampshire to West Virginia. This is a region of our densest population and our heaviest concentration of industry.

Now, we in the West know all too well what it is to have our cities and towns thirsty, and our fields dusty and dry. But the people of the East and Northeast have almost always had a bountiful supply of water—and they serenely assumed they always would. Then they discovered that it could happen to them.

In August 1965, the chief engineer of the city of New York warned the Delaware Basin Commission that "Fun City" could "run out of water by the middle of February." President Johnson declared the Delaware Basin and New York a disaster area, and a drastic water savings program went into effect.

Well, as we all know, the East and Northeast did not run out of water. It did skimp through. But the interest of the people and their officials and their newspapers and their civic clubs was aroused as it never could have been aroused by a Senate Committee report. A whole new and important area of the country became receptive to the water story.

By now, some of this has been forgotten. In 1967, the rains came. The Potomac's flow in July was three times that of 1965. With thirst gone, the sense of urgency has expired.

But we still must ask—what is the water outlook in the years ahead in concrete terms. The facts compiled by the Senate Select Committee are still our bible on this.

If we in America are to sustain our expanding population and rising standard of living, we will have to double our usable gallonage by 1980 and triple it by the year 2000. We now use an average of 280 billion gallons of water each day for irrigation, industry, and homes; we

will be using about 600 billion gallons in 1980 and 900 billion gallons a day by the year 2000.

We found out further that 600 million gallons of water a day is getting close to the ceiling of the total supply of water of good quality which our engineers have told us could be made available with present knowledge and techniques.

We learned that in five of the Nation's 22 resource regions we stand on the edge of full water use—we could well be out of water in any of them by 1980. One of these water-short basins is the Colorado River Basin about which you are hearing so much this week.

In most of the other water basins, where rainfall is generally adequate, pollution is rampant. Almost every American river of consequence is infested with water pollution from one source or another. Ten times as much industrial waste, per million persons, is being poured into our waters today as in 1900. Municipal waste has increased threefold during that period.

Some estimate it will take \$75 billion, spent over two or three decades, to clean up America's rivers.

Nor have our lakes been spared. The Great Lakes are a tragic example. Industry and communities around the lakes have used the once-pure water as a dumping ground. Erie, the northern border for much of industrial America, is the sickest of the Great Lakes. About one-fourth of Erie is all but dead today. A huge expanse contains almost no oxygen, no fish swim about, and the surface is infested with scum.

We learned also from the Water Committee that we were proceeding too slowly in harnessing and developing our rivers through multiple-purpose projects—that we must make the 1970's the decade of advance dam construction, just as we have made the 1960's the decade of advanced highway construction.

We learned that we must do more to combat water variability, which means both floods and low water flow. And finally, we discovered that we have only started to work on the great problem of water waste—on the ways in which water is being used inefficiently, on "water stealing" vegetation, on evaporation, and on allowing water to run off to the sea unused or only used once.

Finally, we found that we had lagged on research in all of these fields—that a constant expansion of knowledge and technical capability in the water field is indispensable.

The committee estimated that the Nation should invest a total of \$228 billion in the period between 1958—when the figures were gathered—and 1980 for all types of water resource facilities. This means that we need to spend more in a 20-year period than we have spent in almost 200 years.

This report unbuttoned a surge of both discussion and action in the water field. I think it is safe to say that the Congress has passed more constructive water legislation in the past 5 years than at any other time in history.

We established a Water Pollution Control Administration which will conduct and oversee a broad public and industrial

pollution control program, and greatly expand the Federal funds available to communities for the construction of waste treatment and other pollution control facilities.

We launched a water research program which will invest nearly \$100 million a year for 10 years on basic water research, over and above the desalting program.

We enacted the Water Resources Planning Act to get water resource planning on a river basin basis, and provide planning money for the States.

All of this—and much more—in 5 short years.

But, through all this water activity, the needs of Arizona are seemingly forgotten. A project that had been proposed for decades—the central Arizona project—lay dormant.

There were two reasons for this and I have previously mentioned both.

First was the court case.

Second, the States of the Colorado Basin were negotiating over the allocation of the water. Month after month the water experts and representatives of the seven basin States met to thrash out an agreement among themselves that would settle this vexing problem with justice to all.

That agreement resulted in the Lower Colorado Basin development bill which was approved by the House Interior Committee last year. As everyone knows, the bill floundered on the issue of the construction of two more dams on the Colorado River in Arizona. This proposal so outraged the preservationists that the House committee was unwilling to bring the bill to the floor.

It was then anticipated that the principal features of that bill would be retained for legislative action this year—but with the elimination of the one most controversial of the dams. With one dam eliminated, and a willingness of Congress indicated to extend the national park in the Colorado gorge, it was hoped this would be a reasonable compromise which could be enacted at this session.

But the administration decided to forget compromise and go all the way in the other direction.

S. 1004, this bill would authorize the central Arizona project but would ignore the problem that has delayed this project all of these years—the fact that there is simply not sufficient natural flow in the Colorado River to meet the demands within the basin beyond the year 1990.

Therefore, any acceptable bill must involve balancing the interests of the State of Arizona with the other States who have rights to the waters of the Colorado River.

Our need is to understand the arithmetic of the situation. The decree in Arizona against California confirms 7,500,000 acre-feet annually to the lower basin and an equal amount to the upper basin. The share of the lower basin has been divided into 4.4 million acre-feet to California, 300,000 acre-feet to Nevada, and 2.8 million to Arizona. This, of course, equals 7.5 million acre-feet. But to that must be added the 1.5 million acre-feet that must be delivered to Mexico under the terms of the Mexican

Water Treaty and 1 million that is lost in evaporation between Lee Ferry and the border. This totals 10 million acre-feet—an amount of water which simply is not there.

During all the discussions of the States on this problem, this arithmetic has been foremost in the minds of the conferees. They have recognized that a primary safeguard for all the basin States is a study of sources to supplement the natural flow of the Colorado River. This bill is incomplete without a legislative commitment to study water importation from areas of surplus. The danger will always remain that when the upper basins utilize their allocations, there will be insufficient water for the central Arizona project to divert.

I am anxious to see any area of the United States receive water that it needs. I will support any feasible means of providing that supply. But the only practical method of meeting the problems of the Colorado Basin is to place importation studies in this bill. I would, of course, support any feasible means of augmenting the water supply, but as of today, importation appears to be the only practical method.

Interbasin transfer of water has been transformed into some sort of scare word in some quarters. There is nothing unique in interbasin transfers. Colorado River water is now being transferred into the Missouri River Basin, into the Rio Grande River Basin, and into the Great Basin. There should be nothing startling in the proposal to bring water from either the Columbia or northern California to supplement the flow of the Colorado. Indeed, one could say that the need for importation is to satisfy a treaty with Mexico, not to meet any new uses. Therefore, importation would be to meet a national obligation—not a State or regional obligation.

I have proposed in the bill which I introduced (S. 1409) that we look first to northern California's coastal region as a source of water importation. This would require development of water projects much sooner in this part of California than would otherwise be necessary, but this could be of considerable benefit to the area of origin. It was the water association of this area in northern California that suggested that this might be the best way to solve the shortage in the Colorado River. The fact that the water comes from a State that is itself deeply concerned with the Colorado River, may allay some fears of representatives of the Northwest.

Mr. Ely, representing the State of California in the recent House hearings, stated:

We are prepared to have the Secretary, the Commission, anybody else look at a plan to take from the streams of northern California, two and a half million acre-feet for the rescue of the entire Colorado River Basin by putting that quantity in to the main stream, even though the amount we get back out of it is less than 20 percent of what we contribute.

I think that is a commendable and statesmanlike position. In a sense, it embodies the real effort of the basin States to resolve their differences, to compromise, and to work out a regional bill. To

discard this unity, so laboriously achieved, will not free the central Arizona project from controversy. Nothing could be more controversial than building a project for which there is not enough water.

The most devastating question anybody can ask about this legislation as it now stands is, "Where do we go from here?"

Proponents of S. 1004 in its present inadequate form have many promises but no answers to that question. There are answers, for the simple reason that there must be answers. We have to find them. My recommendation and the type of amendment that I want to support, is that we put into this bill the start of the search for some of those answers. It is that simple.

The late Charles F. Kettering, genius of the automobile and author of many of the ideas which made General Motors what it is today, is reported to have defined research as the business of trying to find out what you are going to do when you have to stop what you are doing now.

That is the improvement I am asking for this legislation, that we amend S. 1004 by making provision now for the search for answers to the question of what we do next.

I had thought that with all the progressive water legislation of the past half decade the Congress of the United States had learned Dr. Kettering's lesson. Surely, we can foresee the day when we have to stop what we had done for so long, piecemeal planning, short-range projects, uncoordinated resource development planning.

S. 1004 is a step backward. It is out of step with the national planning objectives, the total water management philosophy, and the modern systems analysis approach to the great problems which face our country today.

This will be the first time, I believe, in 5 years, that the Senate will have taken any action of this importance which would reduce the momentum of sound natural resource planning, slow down the progress we have been making toward preservation of our country.

The irony of the situation is that the shortcomings of this bill can be so promptly overcome. We need only to amend S. 1004 to reflect the fact that the lower Colorado Basin is an administrative division, not a natural one, that it is part of a much larger Colorado Basin, and that the whole Colorado Basin is a part of the great region we call the West, and that the West is a part of the United States. And, contrary to the situation we in the West faced not so many years ago, there is a sympathy and understanding in other parts of the country of the water problem of the West. This is simply because the water problem is national, not sectional.

The work of the National Water Commission proposed by the President and approved twice by the Senate is now in conference awaiting its turn in the process of ironing out differences between House and Senate versions. I believe it will be a useful body, even though its very existence may tend to delay some decisions that the Congress ought to make on its own.

The Commission would have 5 years in which to write a national water policy. It may make recommendations on specific steps at any time during the 5 years of its life. I hope it will begin studies promptly of the organization problem, that is, the problem of disjointed water resource management that results from separated responsibility, divided authority, differences in the functional orientation of the Federal agencies, competition for funds to meet statutory assignments, conflicts in user interests, Federal, State, and local political prerogatives, and sectional protectivism.

These are problems which can be examined by the seven-man National Water Commission and what I hope will be its competent staff, without spending 2 or 3 years gathering the geophysical data required for technical judgments as a necessary basis for development and evaluation of solutions. These problems call for political and administrative decisions on which the Congress wants recommendations from a competent group of outstanding citizens making judgments free of any bias attributable to a preconceived interest in Federal water policy and with a sound perspective on Government operations.

But this is only half the problem, Mr. President. The political and administrative analysis and evaluation we want from the Commission deal only with the machinery for making the necessary technical judgments. The technical judgments themselves are something else. We have some very difficult judgments to make, as is clearly illustrated by the debate on S. 1004.

The Water Study Commission would not be free to do its job if the Congress gave it statutory instructions to answer questions on specific projects or proposals. We would certainly be wasting our time and the time of the outstanding citizens we want to serve on the Commission if we start telling them what to do. As a matter of fact, if we try to shift the responsibilities of the Congress for making decisions on specific projects to the Commission, or tell them what answers we want to problems necessarily before the Congress, we will not get the caliber of citizens we want to serve on this important Commission.

The principal sponsor of this legislation in the Senate, the chairman of the Committee on Interior and Insular Affairs, the able junior Senator from the State of Washington [Mr. Jackson], has taken a very firm but constructive position on this point of having an absolutely free Commission. Senator JACKSON has steadfastly maintained, and I trust he will concur in this estimate of his position, that the Commission must be free of any restrictive directions either from the Congress or the President. I share his views on this point.

But there is such a thing as restricting the freedom of the Commission by denying it information on which to base judgments. Unless this Commission has available to it at some time during the 5 years, the information upon which to base recommendations on multibasin interchange of water, we cannot possibly get any guidance on the subject.

My position is that the competent agencies of the executive branch of the Government must be directed promptly to start gathering the necessary data to permit full examination of the possibilities of interbasin transfers of water. It is time to start collecting information required, among other purposes, Mr. President, as a basis for meaningful debate in this body as to whether it makes sense even to talk about importing water from Canada.

My study of the NAWAPA concept convinces me that true continental planning of water resource development makes sense for both Canada and the United States. I believe, on the basis of all the data available, that when Canada has completed the projections of her own ultimate water requirements and the appraisals of her water resources, she will find she has a surplus. I believe she will also find that she can profitably export that water to the United States as a sustained yield crop which is not subject to depletion.

I do not kid myself, Mr. President, that the working out of a treaty, arriving at an equitable arrangement for trade in water taking into account all of the sensitive and complex factors involved, will be an easy job. It will be very difficult. But it will be an impossible job unless we have the necessary base of geophysical data by which to select routes and plan an efficient system to make full use of imported water.

Engineers of the Ralph M. Parsons Co., who worked on the NAWAPA concept, are careful to point out that it is strictly a preliminary demonstration of the principle of continental water planning. They say it would take several years of intensive field engineering work and geological studies to check out the system even before beginning actual design of facilities.

NAWAPA happens to be the most comprehensive water resource development concept, perhaps the stimulator of other plans for interbasin transfers, but not the only one. It is my understanding that the Corps of Engineers, in the course of their studies of droughtproofing of the Northeast, is examining the possibilities of interconnections among the Susquehanna, the Delaware, the Hudson, and perhaps other watersheds as a means of making full use of all our water. Such planning is sound, sensible, and necessary.

Similar planning is going on in other parts of the country. The possibilities of transferring water from the lower Mississippi to West Texas are under study. In Canada, preliminary studies are underway as to the possibilities of collecting water in the midcontinent North with the view to distribution in the Prairie Provinces and export of surplus to the southern High Plains region of the United States, one of our serious water crisis areas.

The State of California, of course, has gone ahead with multibasin development, within State. The monumental California water project is a magnificent tribute to the engineers who designed and the planners and political leaders who sponsored it.

It is, at the same time, an encouraging demonstration to the rest of the country of what can be done if we set our minds to it.

One of the most critical water problems we face today is the Great Lakes. The International Joint Commission is studying the problem of lake levels, but is confined in the search for a solution to building control works on the lakes themselves. Such a solution does not appear to be effective in the long run, nor sound from a resource care and development standpoint.

The most pressing aspect of the problem is pollution, but we are making a start on solving that one. The concerted effort of the Federal Water Pollution Control Administration and the States and cities using the Great Lakes for waste removal is going to pay off. We are still a long way from control of the poisonous inputs to the world's greatest body of fresh water, but we can see the day when we will be able to turn the curve downward. It will be a long time before we can see a change in the water of Lake Erie, for example, but at least we can predict the day when we will stop making it worse.

When this day comes, it makes sense then to talk about adding water to the lakes. Such a proposition has been under discussion in Canada since 1959, when the Kierans plan was first advanced. This is a concept developed by an engineer, Thomas W. Kierans, of Sudbury, Ontario, to bring water from the James Bay watershed into the Great Lakes-St. Lawrence system. He would use the lakes as a massive storage and transfer reservoir to supply water to the whole north central and northeast quadrant of the United States. In this area, the NAWAPA concept and the Kierans plan overlap. The interesting point is that the same ideas have grown independently in both countries.

The continental planning approach has brought water planners to a new look at a number of old ideas and proposals. For example, in Mexico, engineers think now it may be economically feasible to bring water from the rain-rich Tehuantepec region north to the gulf coastal plains, and even into Texas, possibly in exchange for water delivered by an NAWAPA-type system on the western slopes of the Rockies and the plains of the Gulf of California.

Similarly, the Parsons engineers think that the multibasin exchange concept will make economically practical and otherwise appealing to the people of Wisconsin a modernized version or modification of resource development concepts stemming from work done years ago within the State. The new approach involves integration into a multibasin system. It appears that an idealized watershed care program on the Wisconsin and Fox Rivers, with provision for recovery of all the water, might expand recreational potentials, assure rational conservation, remove both low water troughs and flood peaks on the mainstream of the Wisconsin River, and provide several million acre-feet of water a year input to Lake Michigan. This would permit a constructive start on the restoration and

maintenance of the geophysical health of the Great Lakes. It would certainly provide evidence to the Canadians, if we want them to do the same, of our good faith and intentions and willingness to share the burdens.

I mention all of these possibilities, Mr. President, not primarily because they are about to be dumped on our doorstep demanding action, but because they reflect the ferment abroad in the land and the fact that traditional subbasin and regional thinking is giving way to national and continental thinking. The Congress is just behind the times.

Most of these ideas, and that is what they are, they are not proposals, cannot be evaluated because we do not have adequate geophysical data by which to make the necessary comparisons, to check one solution against another, or to weigh the costs against the benefits.

We have a problem on our doorstep that has been there for a long time, and is growing. S. 1004 is going to make that problem worse if the bill is passed in its present form. The basic problem is the overcommitment of the Colorado River water.

We cannot avoid coming to grips with that problem very much longer. The more we delay, the more serious the problem becomes. There is simply no logical explanation for the failure of the Congress to deal with the problem. We are wearing blindfolds, not just blinkers, if we continue to deal with this type of water problem on a sectional, subbasin, or State-by-State basis. We are simply making trouble for everybody, ourselves included. I warn right now it is serious trouble, and it may be doubly serious for the people of Arizona.

We are dealing here—in S. 1004 as it affects the lower Colorado—with a matter that affects the economic foundation of nearly a fourth of the country, the livelihood of from 30 to 40 million people, and a great part of the Nation's productive capability in agriculture.

But in principle, we are dealing with the future of our country. Unless we start now the job of preparing for assessment and evaluation of interbasin water transfer potentials, we can undermine the very natural wealth base of the American Nation.

S. 1004 is a good place to start. This bill has gained the status it now has partially because the needs of the people of Arizona are recognized by the administration and Members of the Senate but also the rights, as determined by judicial process.

But neither people's needs nor their rights can change the facts of life in nature's realm. Man has to do something himself by positive action if he expects nature to continue to support him. We have reached the point in our dependence upon the waters of the Colorado River where we have to do something more than try to subdivide flows to meet all claims. We have had adequate warning that there is not that much water.

We can amend S. 1004 to provide for a start of the work which will tell us at some point in the future whether we have to restrict the growth of the Southwest, or that we can sustain our progress there.

The start I want to make involves no commitments. It does not approve any projects in the future. It does not tie the hands of the Congress nor the executive in future policy determination. It does just the opposite. It means assembling the technical data to save us from future policy straitjackets.

My plea to the Senate today is not to authorize another resource development project of any kind without starting the engineering studies which will tell us where we go from here.

How can we pretend that multibasin exchange of water does not offer some hope of solution to problems we know are serious?

How can we refuse even to collect the information we need to make decisions?

How can any of us face an intelligent voter who knows the Nation has to do a better job of resource utilization from now on than we have done in the past?

How can we delude ourselves that water problems in any part of the country can be treated as though the rest of the country had no stake in the solutions, let alone concern for the welfare of their fellow Americans?

We cannot cut the Nation up into a collection of artificially defined geographic units and treat each as though it had no dependence upon the others. Yet, that is exactly what we are doing if we pass this bill without some provision for the future of the water supply.

I must apologize to the Senate for taking so much time, but this problem is so serious that I am compelled to do everything within my power to enable my colleagues to see this problem in its true perspective.

The Nation has a water problem for four basic reasons.

First, the amount of water available in nature is fixed and the number of people and their demand for it are not.

Second, most of our uses of water are degrading.

Third, the water resources and the people are not distributed efficiently with respect to each other.

Finally, we do not make the most of the water we have.

Now, if we expect to continue to live on this North American continent more than just a few generations more, we had better do something about each one of these basic causes of our national, regional, and local water problems.

I do not have to belabor the Senate with the fact that water is essential to life. It is as essential to the life of nations as it is to individuals. We either do better from now on than we have done in the past in taking care of our water, or we will not be the nation we want to be very much longer.

There are not very many things that we can do, in broad terms, but there are a great many specific steps to be taken in each of three general categories.

One category of response to the threatened shortage of water for the long-term future—and the short term in some places—is better control of demand, more discipline in our domestic use of water, improved industrial practices involving water, extensive recycling, and much greater study and

care with respect to agricultural requirements.

The second category of action is to generate new supplies of usable water. The first and most pressing step in many parts of the country is abatement of pollution. Along the coast, we can desalt the oceans and at other places, upgrade brackish water which nature has distributed more or less at random over the continent. Finally, it appears that we can alter nature's pattern of desalting and transfer through the atmosphere. Call this rainmaking, weather modification, stimulated atmospheric transfer, or what you will, there is enough encouragement in our research to date to justify increasing investment in research aimed at substantially increasing the precipitation within a defined precipitation area such as the entire Colorado.

The third category is full water resource development. This means intensive conservation of water producing areas, collection, storage, and redistribution of excess runoffs and floodwaters, which, of course, includes interbasin transfers, the cleaning up of the water courses to be used for distribution.

The Parsons studies clearly point to the fact that it makes just as much sense to have a continental water grid as it does a power grid.

The sensible thing for the Senate to do right now is to add to S. 1004 a provision directing the Water Resources Council, which brings together all of the competent agencies in the water field, to start building the geophysical data base which will eventually permit treating our country as a whole, then if we are so minded, and the Canadians and Mexicans deem it in their interest, to treat the continent as a whole.

We have put this matter off much too long. We hear over and over again that the excess runoff from the Columbia River would solve all of the water problems of the Southwest. I do not know whether that is the thing to do or not. I do not know whether it makes sense even to dream of it. I do not know whether new water can be brought into the Texas Panhandle or not. I do not know whether the Colorado should be supplemented from the Columbia Basin, that is, water originating in British Columbia, Idaho, Washington, and Oregon, or water originating in Alaska and coming to the Southwest via the Yukon Territory and the Rocky Mountain Trench. The point is, there is not a water planning engineer in America who can answer these questions.

Why? For one reason, because Congress inserted a prohibition against interbasin transfers in the Water Resources Planning Act of 1965 and has since refused to approach the problem head-on. Now is our chance to recover.

There is not a Senator in this body whose State interests are not adversely affected by our continued refusal to treat the United States as a whole, at least the 49 States on this continent, with respect to water resource planning, development, and preservation.

All of the New England and Northeast Senators are already concerned with in-

terbasin transfers, and they have a stake in our getting ready to talk to our Canadian friends.

All of the Senators from the States which are served by rivers having their fountain sources in Appalachia are directly concerned with unified planning to make certain we protect the water producing capabilities of the Appalachian mountain system.

All of the Senators whose States are affected by the quality and quantity of the water in the Great Lakes have a stake in this type of study.

All of the Senators whose States are concerned with the stabilization of flows and the control of floods and low water period on the Missouri and Mississippi River systems are concerned with our ability to do unified planning.

All of the Senators from States utilizing the groundwaters of the southern high plains region are concerned with the start of data acquisition which will permit evaluation of possibilities of imports for recharge of aquifers.

All of the Senators from States in any way dependent upon the flow of the great Colorado River are concerned, for obvious reasons.

All of the Senators from Pacific Coast States are concerned because by integrating their great water producing and distribution systems with a national or continental grid, they can enjoy the benefits of stabilized flows which mean dependable supply and hydrogeneration with freedom from floods and low water.

There is no justification for our continued refusal to start work on the engineering studies which will eventually make possible the full development of the Nation's water resources.

As far as the people of Arizona are concerned, and the proponents of the water legislation now before the Senate, the amendment I propose would provide the only meaningful insurance available that Arizona will be able to enjoy the water which the Supreme Court said was its due and which the Senate would like to provide within the limits of currently available supplies.

If we are truly the Senate of the United States instead of an assemblage of spokesmen for separate States concerned only with their own immediate interests, then we must act in the interest of the United States as a whole.

As I said to the Royal Society of Canada last spring, if we want to continue to live on this beautiful continent for longer than a predictably limited number of decades, then we had better start taking better care of the life-supported capabilities of both our countries. This means a new day of total water management and unified planning of resource development.

Mr. President, I yield the floor.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I appreciate this opportunity to speak on behalf of S. 1004, a measure which will greatly advance the future development of the Southwest and of my State and the Nation.

This bill has many unique legislative features. It is the product of more than a generation of careful study and scrutiny, safeguards and compromise. It is an amazing document, and its authors have gone to great lengths to satisfy all of the objections which have sprung up from the region and elsewhere.

S. 1004 is a testament to the wisdom, skill, and imagination of our beloved colleague, Senator CARL HAYDEN, who has labored tirelessly to formulate a plan which is worthy of support by the entire Senate.

It envisions a continuing era of great growth for the Southwest, which already has made enormous contributions to the economy and progress and vitality of the Nation. It seeks to preserve the beauties of the region for future generations on an economic and practical basis.

Some objections have been made to certain features of this bill as they affect my State. The preponderance of evidence from experts and other authorities in the field, however, demonstrates that the measure will assist Nevada in a very positive fashion, as it will the Southwest and the entire Nation.

In supporting the central Arizona project I feel that we are exercising our responsibility for resource development, and have moulded a plan which does great credit to the States involved and to the Federal Government which assisted in the study and planning.

I congratulate Senator HAYDEN on the brilliance and effectiveness of the legislation which he has conceived and nurtured for a system which would be a living, useful monument to his already enormous contributions to the Nation.

Mr. HATFIELD. Mr. President, I join with the Senator from Washington [Mr. JACKSON] and 13 other members of the Senate Interior and Insular Affairs Committee in recommending prompt and favorable Senate action on S. 1004 as amended and as reported by the Senate Interior Committee.

Passage of the bill is in the best interest of all of the States of the Colorado River Basin. It lays the groundwork for an effective approach to regional water resource development and planning.

The primary feature of S. 1004, of course, is the authorization of the central Arizona project. This project will enable the State of Arizona to use its share of Colorado River as decreed by the Supreme Court in Arizona against California. In addition, the bill will authorize the construction of five reclamation projects in the States of Colorado and New Mexico. The projects will enable these States to use their share of Colorado River water as allocated under the upper basin compact.

Action is necessary and agreement is difficult where the allocation of Colorado River water is involved. Unanimity of opinion has never been a possibility. An

exercise of great statesmanship and an honest search for the best possible solution of the questions of southwest water development have galvanized the committee to action. The myriad questions raised by this bill have received careful answers.

As the Members of the Senate are aware, my State of Oregon, as well as other States in the Pacific Northwest, has rightfully been concerned over proposals which have been made to divert water from the Columbia River Basin into the Colorado River. It is my State's position that these proposals, as found in legislation which has been introduced and in amendments rejected by the committee, are premature and involve the risk of unnecessarily mortgaging the economic future of one region of the country at a great cost to the Nation. I feel it is in the best interests of my State and the Nation that S. 1004 does not undertake to authorize a massive and costly importation program.

It is a myth that Oregon and the Pacific Northwest have a surplus of water. For example, in Oregon over one-half of our land area has an annual precipitation of less than 20 inches. While certain outsiders would have you believe it rains 365 days a year, we know this is not the case, and records prove it. In fact, we have had 40 long days and 40 long nights of dry spell in my State, without any rain.

In other words, Oregon has serious seasonal water shortages, even in some of the western portions of the State. In the eastern part of our State across the Cascade Mountains, the problem is more acute. The same thing is true in some degree in all States of the Pacific Northwest.

Although a complete analysis of western water problems has not as yet been prepared, there is universal recognition that one of the major physical problems is the serious seasonal and geographic maldistribution of our water resources. This maldistribution problem is not unique to California and the Pacific Southwest. It is a real and unresolved problem in the State of Oregon and in the Pacific Northwest generally.

Today, Oregon, Washington, and Idaho are each in the process of evaluating their State needs and supplies of water. In 1965, Oregon began the first phase of our State's "ultimate water needs" study. This year, the Oregon legislature has appropriated additional funds to complete our State's ultimate water needs study, scheduled for publication June 1969, will identify water supply, benefits and detriments of diversion, and ways of meeting Oregon's long-range water needs. A newly formed Pacific Northwest River Basin Commission will be an appropriate vehicle for developing and coordinating a comprehensive plan when the States have assessed their water future.

At its Portland meeting, the Western Governors' Conference, by unanimous resolution, established a Western Water Resources Council, and agreed to sharing of costs for the first-year operation of this coordinating entity in the amount of \$150,000. Thus, the Oregon program is being augmented by cooperative studies

of a regional nature, and, with establishment of the National Water Commission, we can expect to gain the knowledge which we must have if we are to solve the total water problem.

Concurrently, Federal agencies have undertaken a \$5 million type I comprehensive investigation of the Columbia River Basin to determine water requirements for all authorized purposes to the year 2020. By 1970, Congress will have available information which may or may not justify a feasibility study for transbasin diversion.

If studies by the National Water Commission, by regional river basins planning commissions, and by the States involved indicate that resolution of western water problems will require large-scale transbasin diversions of water, then there will be time to consider this question. Determination of policy alternatives, costs, and the economic ramifications of transbasin diversions, however, precondition any study of how to import water or where to dig a ditch.

Is it in the public interest to prorate water and distribute it on the basis of current need, or should proper safeguards be provided to protect the areas of origin so that they might meet future requirements?

Is it in the public interest to transport water long distances at great expense to grow crops which can be grown near the source of the diverted water?

Is it in the public interest to detract from the economic and social values of one area to enhance the same type of values of another area?

We can act today with sensitivity to the needs of the Southwest, and with foresight regarding the Nation's water resources. This bill reflects patience and dedication to honest problem solving.

If the legislative process holds any promise of justice, if debate and deliberation are the source of any wisdom, then S. 1004, authorizing construction of the central Arizona project, embodies that promise and that wisdom. Senator JACKSON's Committee on Interior and Insular Affairs, of which I am a member, has gathered volumes of testimony and carefully studied numerous counterproposals and amendments. I believe that the bill before us authorizes necessary and appropriate uses of Colorado River water, and represents the best interest of the Nation. I heartily endorse the recommendations of the Committee on Interior and Insular Affairs, and urge passage of S. 1004.

Mr. FANNIN. Mr. President, I wish to commend the distinguished Senator from Oregon for his statement recognizing that this is a regional project and that there is protection to the other States in the region. This is a program which has been sought for many, many years, and it should go forward.

I know that the Senator, as the capable Governor of the State of Oregon, had vast experience in connection with water programs and water problems. It was my pleasure to work with the Senator on these problems when I was the Governor of the State of Arizona.

I am appreciative of the fact that the Senator was a member of this committee.

He has given studious thought to this program.

**MESSAGE FROM THE PRESIDENT—
APPROVAL OF JOINT RESOLU-
TION**

A message in writing from the President of the United States was communicated to the Senate by Mr. Jones, one of his secretaries, and he announced that on August 2, 1967, the President had approved and signed the joint resolution (S.J. Res. 98), authorizing the National Advisory Commission on Civil Disorders to compel the attendance and testimony of witnesses and the production of evidence.

CENTRAL ARIZONA PROJECT ACT

The Senate resumed the consideration of the bill (S. 1004) to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes.

Mr. MURPHY. Mr. President, I am not a member of the Interior and Insular Affairs Committee. However, my State is vitally interested in the eventual solution to this problem.

I have been a cosponsor of previous bills, and 4 years ago I realized that the shortage of water was a condition of immediate concern for not only the States of Arizona, California, and other States of the Colorado River Basin, but also the entire world. Scientists have told us that by the year 2000 entire new sources of water must be found or there will be a water shortage affecting the entire world.

Mr. President, today I rise to oppose S. 1004, the proposed Central Arizona Project Act, as reported out by the Committee on Interior and Insular Affairs. I have joined Senators KUCHEL, ALLOTT, DOMINICK, MOSS, BENNETT, and HANSEN in offering amendment No. 214, as a substitute. Four of the seven States of the Colorado Basin thus remain united in support of a basinwide regional solution to our common problems. Ours would be the "Colorado River Basin Project Act." This is substantially identical with the bill which Senators KUCHEL, MOSS, and I introduced, S. 861, in this Congress. By contrast, S. 1004 is properly entitled the "Central Arizona Project Act." It is a bill which, if passed, would benefit Arizona at the expense of her sister States. The small bones thrown to them in various sections of the bill are transparent political bait, to divert attention from the bill's catastrophic effect on the water supply and the economy of the rest of the basin—the four upper basin States of the Colorado, New Mexico, Utah, and Wyoming, and the other two lower basin States, California and Nevada.

Our basinwide bill, amendment No. 214, differs from Arizona's bill, S. 1004, in these major respects. I quote from the minority views, at page 99:

(1) The amendment sponsored by the basin States, unlike this bill as reported, gives recognition to the undisputed fact that the dependable available water supply of the Colorado River system will never be adequate to overcome the imbalance be-

tween that natural supply and the water demands of the vast storehouse of other natural resources. The Mexican water treaty burden would be lifted from the backs of the seven Colorado River Basin States and filled as an obligation of the U.S. Government, which it truly is by its origin and nature.

(2) Realistic initial steps would be taken to augment the inadequate flows of the Colorado River.

(3) Priority of right of existing investments would be recognized as against water shortages that would be caused by the Central Arizona Project.

(4) Authorization of the Hualapal project as a 5-million-kilowatt pump-storage peaking installation, one of the Nation's greatest powerplants, would be accomplished.

(5) A development fund would be created by using revenues derived from hydroelectric generation at Hualapal Dam to help repay the costs of water supply augmentation. Over a 75-year period this development fund would accrue about a billion dollars more than the comparable fund in the committee bill.

In the 89th Congress, Senator KUCHEL and I introduced S. 1019, a bill upon which the representation of all seven of the Colorado River Basin States had agreed, drafted by representatives of the Interior Department and these seven States, including Arizona. It was introduced in the House by all three of Arizona's Representatives and by 35 of 38 of California's Representatives. Senator HAYDEN gave Senator KUCHEL a written memorandum, which has been published in the RECORD stating that if the House passed this compromise he would accept it in the Senate.

I should like to mention at this point that I found it to be much more pleasant last year when my esteemed friends Senator HAYDEN and Senator FANNIN were allies than it is this year, when they are opponents. However, there comes a time when even friendships and respect must yield to considerations for the general welfare.

Now to return to my comments on S. 1019, of the 89th Congress. California witnesses supported it before the House committee. It was reported favorably by the House Committee on Interior and Insular Affairs as H.R. 4671, by Representative UDALL of Arizona. All five California members of that committee voted to report the bill out late in the session. It did not reach the House floor for a vote. But that is not our business at this time. Our business today is to consider a bill in which Arizona repudiates all her agreements of last year with her sister States. She then agreed with us on three major principles. They are referred to at page 94 of the present minority report:

Notwithstanding these grim water supply figures, States of the Colorado River Basin, other than Arizona, reluctantly agreed in the 89th Congress to support a bill to authorize a Central Arizona Project, which was substantially smaller than the one now proposed, on three major conditions, all of which, along with other elements of a sound regional approach, are scuttled by the committee's bill. These deserve reiteration:

1. The bill must launch meaningful investigations of means to add at least 2.5 million acre-feet annually to the river on terms fair to the areas of origin. Whenever that water arrives, both basins would be relieved of the Mexican treaty burden. This would be a national obligation, the cost of satisfying

it to be nonreimbursable. The present bill deletes all of these provisions.

2. The bill must authorize Hualapal Dam and powerplant to generate revenues to finance that importation program. This bill strikes out that essential feature, too.

3. If the Central Arizona Project is built before imported water arrives to offset the shortage which the new project would create, the Central Arizona Project must bear that risk, not cast it upon potential uses in the upper basin or upon Nevada or California—recognizing that, as a result of the 1928 Boulder Canyon Project Act, California's existing uses of 5.1 million acre-feet per year can be protected only to the extent of 4.4 million. Arizona's bill in the 89th Congress, H.R. 4671, contained this protection, and for that reason California supported it. S. 1004, as reported, gives Arizona's existing water uses explicit and unlimited protection against the Central Arizona Project, gives no protection at all to Nevada's existing and authorized projects, and limits protection for California's 4.4 million acre-feet to 27 years. This is almost precisely the date when it is now calculated that the protection would become necessary if no imported water arrives.

In particular, the present bill, S. 1004, guts the protection to the existing economy in California, to which Arizona agreed in the 89th Congress. Again, I quote from the minority report, at page 95:

California's citizens have spent or committed more than half a billion dollars of their own money on Colorado River water projects in developing their existing economy. Those projects and that economy must be protected within the framework of the "law of the river." The protection is, of course, subject to the limitation imposed on California's protection by the Boulder Canyon Project Act; that is, to 4.4 million acre-feet per year out of the 5.1 million acre-feet presently used. In 1928 Congress required California to so limit her uses by act of her legislature if Hoover Dam, which Arizona opposed, was to be built without Arizona's ratification of the compact. Arizona now proposes, in effect, substitution of a lesser figure, abrogating the 1928 agreement between the Congress and the California Legislature which was imposed on California solely in consequence of Arizona's obduracy in rejecting the Colorado River compact. (She continued her rejection of it for another 16 years, until 1944.)

The provisions of S. 1004, section 2(a), emasculate not only the bargain of 1928 but that of 1965. The bill cuts off all protection of California projects at the end of 27 years, or at about the time when engineers tell us that the odds favor the occurrence of shortages. Such a provision is similar to an insurance policy which lapses on the death of the insured.

Furthermore, although S. 1004 would cut off all protection of California's projects at the end of an arbitrary 27-year period and provide no protection at all to existing water uses in Nevada, it would continue to protect in perpetuity the presently existing Arizona projects as against the Central Arizona Project. Should equities differ on opposite sides of the same river? The bill also protects in perpetuity existing uses on the Gila River against new uses to be made possible by the Central Arizona Project. Should equities differ on the two streams?

Now let us look at the central Arizona project itself and the mammoth aqueduct called for in the bill to divert Colorado River water from Lake Havasu.

To begin with, Arizona's apportionment under the 1964 Supreme Court decision is 2.8 million acre-feet per year,

but only if 7.5 million acre-feet per year are available for consumptive use in the lower basin after meeting our Mexican Water Treaty obligations and substantial evaporation losses. That means that some 10 million acre-feet must flow past Lee Ferry to the lower basin, since 1.5 million acre-feet must go to Mexico and another million acre-feet are lost to the atmosphere by means of evaporation.

According to the latest expert hydrological studies, the total annual flow of the Colorado is something less than 14 million acre-feet, half of which belongs to the upper basin States. Now Arizona is presently consuming 1.2 million acre-feet annually of its maximum conditional apportionment, which leaves only 1.6 million acre-feet available—under the best possible conditions—for the central Arizona project. Now, however, we are presented with this bill, which provides for a supersized canal capable of diverting 2 million acre-feet annually. That adds up quickly to 3.2 million acre-feet, which is almost 500,000 acre-feet more than she is apportioned—if the river per chance happens to be full and brimming. This would be very pleasant if we could always expect it; but unfortunately it is not always the case.

Keep in mind, too, that the Bureau of the Budget has never approved the construction of a central Arizona project with a main aqueduct having a capacity in excess of 2,500 cubic feet per second. Yet, this bill asks for a canal that is still 20 percent larger.

Having ignored the mathematics of even the most optimistic estimates of the best river hydrologists, the bill's funding provisions then present still another kind of inconsistency. After deciding to take more water than Arizona is entitled to and more water than the river can spare, the bill's proponents then determine that the power users of California and Nevada should shoulder the financial burden of subsidizing the central Arizona project. The usurpation of surplus power revenues from Hoover and Parker-Davis Dams for the proposed lower basin development fund presents an anomaly that I, for one, am unable to understand.

This inequitable situation is outlined briefly and explicitly on page 117 of the bill's minority views. Allow me to quote the pertinent section:

First, California and Nevada power users would be called upon to subsidize the Central Arizona Project which would jeopardize the future water supply of those two States.

Second, the Secretary is guessing that Congress, after 1990, will allow rates for Hoover power to be increased 50 percent to these same California and Nevada power users.

Third, the Secretary is guessing that Congress will allow power rates on the Pacific Northwest-Southwest Intertie to remain artificially high half a century from now, and will earmark the Nevada portion of those bills for Arizona's exclusive benefit.

Fourth, usurping Hoover and Parker-Davis revenues to subsidize the Central Arizona Project would preclude their use for basin-wide water augmentation in the future.

Fifth, the recently authorized Southern Nevada Water Project, like California's Metropolitan Water District, receives no financial aid from Hoover power revenues, yet Nevada power users and the Metropolitan Wa-

ter District (MWD to the tune of \$100 million-plus after 1990) would be subsidizing the Central Arizona Project by paying higher power rates for Hoover power for that sole purpose.

(At this point Mr. MONDALE assumed the chair.)

Mr. ALLOTT. Mr. President, will the Senator yield at that point?

Mr. MURPHY. I yield.

Mr. ALLOTT. Is it not a fact that under the bill pending the power rates for the electricity from the Hoover and Parker-Davis Dams in order to pay out the central Arizona project, would require almost a 50-percent increase in the power rates?

Mr. MURPHY. The information which I have, and I have read from the minority report, would indicate that the Senator from Colorado is entirely correct.

Mr. ALLOTT. So that we end up with the power going from the Hoover-Parker-Davis complex, which is now used by Arizona, California, and Nevada, and most of it, or the greater portion of it, being used in the Senator's State, going into the payment of a project in Arizona.

In other words, the 50-percent increase in power rates in Nevada, California, and Arizona are going to pay off a project for one State only and that is the State of Arizona. I do not have in mind the exact figures of the percentage of power allocated to these particular States, but the bulk goes to California and Nevada.

Mr. MURPHY. That is the situation as I understand it.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. MURPHY. I yield.

Mr. FANNIN. In answer to the statement of the Senator from Colorado, the principal part of the power goes to California and the benefits go to California. The question is: Should the Federal Government continue to subsidize industries in California, or should they be treated the same as others?

Mr. President, I ask unanimous consent to include in the RECORD at this point a more detailed explanation of this, and also a more complete discussion of the reasons for the aqueduct size.

There being no objection, the explanations were ordered to be printed in the RECORD, as follows:

INCREASE IN HOOVER-PARKER-DAVIS POWER RATES AFTER PAYOUT

Hoover power contracts each contain an option for renewal after payout—at a new negotiated rate.

Dissatisfaction has been expressed recently by the minority members of the Committee as to the proposed use of Hoover and Parker-Davis revenues—at increased rates—after payout. Some suggestion has been made that these rates should be "frozen" by this legislation at present levels—or less.

Use of these revenues for the Lower Basin Development Fund has been contemplated in every lower basin bill—including those introduced by the same members of the minority—except S. 1013—and there, the Secretary stated he had no opposition to a development fund, as provided in all these bills.

Objections—particularly by California—to the use of these revenues come late. Any claim of "surprise" that a rate increase was contemplated could not be seriously made. The 1963 proposal for the Pacific Southwest Water Plan contemplated the use of Hoover-Parker-Davis power revenues, after payout.

In discussing the financial aspects of the plan, the report says: " * * * Saleable Commercial energy from the existing Hoover, Parker, and Davis power plants was priced at 4 mills per kilowatt-hour for Hoover energy and 4.7 mills per kilowatt-hour for combined Parker-Davis energy after these plants have paid out existing costs and obligations. * * * "

The Pacific Southwest Water Plan was widely circulated and was meticulously examined by California and its various interested agencies as well as other states in the basin. In fact, the senior Senator from California prepared a memorandum which specifically touched upon this very point (page 633, et seq., Part II, Hearings, S. 1658). Here, incorporated as a part of his memorandum, was a detailed analysis and study of the Pacific Southwest Water Plan prepared for the California-Colorado River water contractors by Engineer Thomas M. Stetson and associates. The Stetson study sets forth a "Summary of Rates" for both water and power with the power rates being as follows:

Energy rates per kilowatt-hour (mills)

Marble-Bridge:	
On-peak -----	0.6
Off-peak -----	0.3
Hoover -----	0.4
Parker-Davis -----	4.7

In addition to the foregoing Stetson report, Senator Kuchel introduced into the record numerous resolutions and letters setting forth the objections to the Southwest Water Plan by most every agency in the State of California interested in water. Not one raised an objection to the increased rates or to placing Hoover-Parker-Davis power revenues in the development fund after project payout.

In August, 1963, California's Governor Brown forwarded to Secretary Udall the official comments of the State of California on the Pacific Southwest Water Plan. (see Report of January, 1964, on Pacific Southwest Water Plan, Comments of the State of California, pages 11 and 12.) Reference is made to Hoover and Parker-Davis rates being assumed to be at 4.0 and 4.7 mills per kwh, after payout. These California comments do not quarrel with using these revenues for water development—but say:

"The report also states that the power rates were assumed for purposes of financial analyses and demonstration of program payout, and that as development of water and power resources of the Pacific Southwest proceeds and the pumping loads and financial requirements become better defined, the matter of power rate determination will be under continuing consideration. *Certainly, no attempt should be made at this time to peg future rates at the levels employed in the economic analyses.*" (Emphasis added)

With this part of California's official position the Secretary should be free to negotiate rates under the circumstances and requirements existing at that time.

Back in 1964 the Committee Report on S. 1658 specifically recognized the importance of a Lower Basin Development Fund. "Net revenues from the sale of power at Hoover, Parker, and Davis Dams, after repayment of construction costs and existing obligations, are also dedicated to providing financial assistance in meeting regional water needs." The Senate Committee (Report No. 1330, 88th Congress, 2nd Session, page 10) concluded by recommending a basin development fund in these words:

"The lower Colorado River Basin Development Fund, established by this section, follows generally the precedent of the Upper Colorado River Basin Fund established by the Colorado River Storage Project Act. The Lower Colorado River Basin Development Fund, unlike the Upper Colorado River Basin Fund, *does not include the apportionment of net revenues among the States concerned.*

There is good reason for this difference. The fundamental water supply problem in the lower basin is one of insufficiency rather than of underdevelopment. Hence interests of the lower basin States will best be served by using net revenues accruing to the fund to assist in the repayment of costs of projects to be authorized to augment the basin's water supply. An apportionment of revenues for use within each State might, therefore, impede further than assist development."

To further illustrate that there has been no secret concerning the proposed use of Hoover-Parker-Davis revenues at increased rates, refer to the hearings during August and September of 1965 on H.R. 4671 and similar bills. In those hearings, during a discussion of the economic and financial analysis of the lower basin plan, Commissioner Dominy, at the page 124 thereof said, "*After payout of Hoover and Parker-Davis costs, energy produced at these facilities would be sold at an average of 4 mills and 4.7 mills per kilowatt-hour, respectively.*"

The development fund, provided for under S. 1004, amounts to about \$1.3 billion by the year 2050. With the exception of approximately \$100 million as assistance to the Central Arizona Project (which will ultimately be repaid several times over by Arizona water and power users) the balance of over \$1.2 billion is dedicated to lower basin long-range water development and conservation purposes—with the principle direct beneficiaries being California, Arizona, Nevada, and New Mexico. The ultimate division and use of the fund is left for future action by the Congress. With California's great political strength in the Congress, it is hard to believe that California's lower basin water agencies will not get their fair share in the future—just as they have consistently managed to do in the past.

CAPACITY GRANITE REEF AQUEDUCT— 3,000 CUBIC FEET PER SECOND

S. 1004 provides that the Granite Reef Aqueduct shall be built to a capacity of 3,000 c.f.s. Other proposed bills provided for capacities ranging from 1,800 c.f.s. to 2,500 c.f.s. The following arguments favor the larger aqueduct:

1. On pp. 144-145 of the printed hearings in the House on H.R. 4671, in response to a question from Mr. Udall, Commissioner Dominy stated:

"Mr. DOMINY. We have made some preliminary estimates merely for our own edification, as to what a 3,800 second foot granite reef aqueduct would cost. It is roughly \$140 million more expensive as compared to the 1,800 second foot canal.

"Mr. UDALL. Would the project still be feasible?

"Mr. DOMINY. Yes, it would be more feasible as far as the benefit-cost ratio is concerned. It would improve the benefit-cost ratio because we would improve the certainty of water supply over the payout period with a larger canal taking advantage of the peaks in the river's runoff."

2. All of the hydrology studies indicate that there will be excess water in the Lower Basin for many years. A 3,000 c.f.s. aqueduct would permit the diversion of Arizona's share of such surplus water—whereas an 1,800 c.f.s. aqueduct could not even deliver the 1.2 million acre feet average diversion planned for use in the Central Arizona area.

3. The Bureau of Reclamation hydrology indicates that even under conditions of ultimate development there will be recurrent periods of high flow which would result in periodic spills from Lake Mead (p. 236, House hearings on H.R. 4671). Excess capacity in the aqueduct would permit capture and use of Arizona's share of such spillage.

4. While the exact amount of water made available by increasing the size of the aqueduct depends upon the criteria used in ana-

lyzing the hydrology, it is reasonable to anticipate that over a 50-year payout period, water made available by a 3,000 c.f.s. aqueduct would average between 100,000 and 125,000 acre-feet annually more than that made available by a 2,500 c.f.s. aqueduct. The 2,500 c.f.s. aqueduct would, in turn, make available in the order of 300,000 acre-feet annually more than would an 1,800 c.f.s. aqueduct.

5. The cost of increasing the aqueduct capacity from 2,500 c.f.s. to 3,000 c.f.s. would be in the order of \$50,000,000 if done at the time of initial construction. This figure includes the cost of prepayment for additional capacity in a thermal plant to permit operation of the larger pumps required to pump at the rate of 3,000 c.f.s. (On page 115 of the Minority Views, the incremental cost of increasing the aqueduct capacity from 2,500 c.f.s. to 3,000 c.f.s. has been incorrectly cited as "over \$177,000,000.") The cost of enlarging the capacity of the Granite Reef aqueduct following initial construction would be extremely high. As a practical matter, it would be necessary to construct paralleling facilities to provide such increased capacity.

6. The present overdraft on the groundwater basins in Central Arizona approximates 2,500,000 acre-feet annually. Thus, a 3,000 c.f.s. aqueduct when flowing at capacity for 11 months each year would permit reduction of ground-water pumping to within an estimated 300,000 acre-feet of the present safe annual yield in the Central Arizona Project area. The Central Arizona is unique in that a fluctuating surface supply from the Colorado River can be profitably used—due to regulating reservoirs in the central part of the State, plus pumping facilities, both of which can be operated so as to utilize the Colorado River's fluctuating deliveries without waste.

7. The larger the capacity, the better—at least up to a capacity of 3,800 c.f.s.; but 3,000 c.f.s. seems to be a reasonable compromise. In all of the Reclamation's sizing analyses, the benefit-cost ratio continued to rise with the corresponding increase in aqueduct capacity up to and including the 3,800 c.f.s. capacity which was the maximum size considered.

-Mr. ALLOTT. If the Senator is talking about subsidies, \$300,000 is paid to Arizona every year because the river is flowing through there.

Mr. FANNIN. Under the bill, \$500,000 would be transferred to Colorado.

Mr. ALLOTT. Not Colorado.

Mr. FANNIN. The upper basin States.

Mr. ALLOTT. That is only for the retention of water.

Mr. FANNIN. Mr. President, will the Senator from California yield to me?

Mr. MURPHY. I yield to the Senator from Arizona.

Mr. FANNIN. Mr. President, we have had a very pleasant relationship with the State of California. Naturally, we want to continue that relationship. I have great admiration for the Senators from California. I want to clarify this point, because it is important to the Senate in the matter that we are considering today.

With respect to what has happened over the years, I think it should be recognized that California has benefited the most. We are glad they have. However, Arizona was allocated 2.8 million acre-feet, California was allocated 4.4 million acre-feet, Nevada was allocated 300,000 acre-feet and these allocations were upheld by the Supreme Court. Arizona is not trying to divert annually an additional 2 million acre-feet as has been

suggested, but we want an aqueduct large enough so that when surplus of water is available we will be able to use it—but this will not be in excess of the allocation.

Mr. MURPHY. What is there in the present bill which gives the Senator from Arizona the idea that there will be surplus water?

Mr. FANNIN. There is surplus water today.

Mr. MURPHY. The bill introduced by my distinguished senior colleague from California envisioned research, examination, and study to find out where the sources of available water would be. It is common knowledge that some areas have more water than they can use.

In fact, it is possible that in some areas of California, by research and engineering studies, sources of water may be found. This was the purpose of the bill introduced by my colleague—to search out new sources in the most practical manner and to assist not only the great State of Arizona but other areas as well.

Mr. ALLOTT. Mr. President, will the Senator yield to me?

Mr. MURPHY. I yield.

Mr. ALLOTT. I wish to correct the statement of my friend, the Senator from Arizona. The fact is that under this bill it is true that \$500,000 was given in lieu of taxes. However, if the Senator will read the bill and look at the law, he will discover that Arizona and Nevada continue to be subsidized at the rate of \$500,000 each per year only because the dams happen to be at that point in the Colorado River. The bill does not affect this one bit—not one iota.

Mr. FANNIN. The Senator will realize the benefits they will receive from this project which Arizona was—

Mr. ALLOTT. Mine?

Mr. FANNIN. Yes. I said the upper basin at Glen Canyon. Here we have that project physically located in Arizona that benefits the upper basin States. We supported it. We have the Hoover, Parker, and Davis projects on the river between Arizona, Nevada, and California. From which both California Senators have agreed California receives the greatest benefit.

Mr. MURPHY. Will the Senator from Arizona yield at that point?

Mr. FANNIN. I yield.

Mr. MURPHY. Is the Senator saying that California receives a greater share of the benefits from this? Would the Senator please explain that?

Mr. FANNIN. I would say, because of many circumstances. I do not believe there is only one circumstance involved.

Mr. MURPHY. Would it be because of the greater population?

Mr. FANNIN. Yes, and your consequent greater power in Congress. I would say this, in answer to the question of the Senator from Colorado [Mr. ALLOTT] about water, that Arizona is not trying to take water from anyone.

Mr. ALLOTT. Except from the upper basin States.

Mr. FANNIN. If the Senator will read this:

SEC. 12. (a) Rights of the upper basin to the consumptive use of water apportioned to that basin from the Colorado River sys-

tem but the Colorado River compact shall not be reduced or prejudicial by any of such water in the lower basin.

Mr. ALLOTT. I am well aware of that, but the only way the central Arizona project can pay out—I repeat, the only way—is by deferring the development of the upper basin. We are going to pay it out of what the upper basin States are entitled to, and there is no getting around that.

Mr. FANNIN. That is not borne out by the record.

Mr. ALLOTT. By deferring it—but I will develop this later.

Mr. FANNIN. All right.

Mr. ALLOTT. My own argument is that by deferring the development of the upper basin, that is the only way to utilize the water to which the upper basin States are entitled, both by the Colorado River compact and the Upper Colorado River compact.

Mr. FANNIN. The State of Colorado agreed to the compact and, in fact, sought it.

Mr. ALLOTT. Which compact is the Senator talking about?

Mr. FANNIN. The Colorado River compact of 1922.

Mr. ALLOTT. Yes, which Arizona did not sign.

Mr. FANNIN. Yes, because we did not think we were getting our fair share, but we had it pushed down our throats, and we signed it in 1944. We accepted that, in 1944. All we want is for Colorado to abide by it, for all the States in the basin to abide by it. We do not want any water that is not legally ours.

Mr. ALLOTT. Let me ask the Senator this question: Can he state any case in which Colorado has not abided by that compact—

Mr. MURPHY. Or California.

Mr. FANNIN. Please, let me answer one question at a time. [Laughter.] Colorado has not used its apportioned amount of water.

Mr. ALLOTT. And why?

Mr. FANNIN. By 1950—

Mr. ALLOTT. And why?

Mr. FANNIN. Because you have not developed the projects. We are trying to help you do that.

Mr. ALLOTT. The projects are and have been developed, but they have been thwarted by the Lower Basin States.

Mr. FANNIN. Yes, but now we are trying to help you get five projects. In fact, five of those Colorado projects are included in this bill.

Mr. ALLOTT. But those five projects are not financed. They are authorized, and feasibility reports have been prepared and are available for them.

Mr. FANNIN. Colorado will get more benefits than ever before, if this bill goes through. It will get far more benefits. It will be much farther on its way to getting more benefits than ever before.

Mr. ALLOTT. This is only a start.

Mr. FANNIN. But Colorado will be farther along the way than it ever has been before.

Mr. President, I ask unanimous consent to include at this point in the RECORD certain facts brought up by our preceding colloquy.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ALLEGED DEPENDENCY OF THE CENTRAL ARIZONA PROJECT ON "BORROWED" WATER

The position of California is simply that she is entitled to use the entire Lower Basin water supply except for limited Arizona uses in the Yuma area, until there is augmentation of the river which may or may not come about and that the Central Arizona Project should therefore be delayed indefinitely, if not forever.

This is not now—nor ever was—the intent of Congress or the Compact between the Basin States.

The Compact provided 7.5 million acre-feet for the entire Lower Basin, to be divided between Arizona, California and Nevada—not for the exclusive use of California. The Congress provided for 7.5 million acre-feet for the entire Lower Basin to be divided among California, Arizona and Nevada—not 7.5 million acre-feet for California alone.

The Supreme Court confirmed the action of Congress and held that the 7.5 million acre-feet was for the entire Lower Basin to be divided among California, Arizona and Nevada—not that California should have it all until the river is augmented.

Yet here is California again saying "No" to the plain language of the Compact; "No" to the will of the Congress; and "No" to the Supreme Court. She is saying, "We, California, who contribute nothing to the supply of water to the river itself, are unwilling to share the waters which should be divided, unless and until the river itself is augmented. We, California, want not only the 4.4 million acre-feet we agreed to limit ourselves to, but from 5.2 million acre-feet to 5.6 million acre-feet per year."

And California has apparently convinced Colorado and Wyoming to join her in this unfair position. At page 87 of the Minority views on S. 1004, Senators Kuchel, Allott and Hansen have joined in a gross misstatement of the opinion of the Supreme Court and its decree. They say:

"Arizona's apportionment is 2.8 million acre-feet per year, but only if 7½ million acre-feet per year are available for consumptive use in the Lower Basin after meeting the Mexican Water Treaty obligation and river losses."

This is completely and patently incorrect. The opinion and decree say that if there is a full supply, Arizona obtains 2.8, California 4.4 and Nevada .3 million acre-feet per year. If there is not a full supply, the Secretary shall make a division of that supply based upon the then existing circumstances. Arizona's entitlement of the Lower Basin supply is not conditioned upon augmentation or a full supply any more than California's entitlement is conditioned upon augmentation or a full supply. Each has its apportioned share of a full supply or the Secretary's division of a short supply.

The Minority Views continue at length to argue that the Central Arizona Project is dependent upon "borrowed" water—that is, water "borrowed" from the Upper Basin. Again, this is a gross misstatement of the law and the facts. The Lower Basin is entitled by Compact; by Congress; and by the Court, to 7.5 million acre-feet per year, plus any extra or surplus which flows through the generators of Glen Canyon Dam and past Lee Ferry. Arizona desires to claim its rightful share of this water—nothing more. It neither seeks nor expects to use any Upper Basin water. If there is insufficient water to satisfy all claims, Arizona is willing to take its chances and abide the decision of the Secretary of the Interior as to how that insufficient supply shall be divided among the three participating Lower Basin States. Furthermore, as a physical fact, the Upper

Basin is upstream from the Lower Basin and by virtue of this geographic fact is in a position to physically divert its entitlement before the Lower Basin can make any diversion. The Lower Basin cannot and will not call on the Upper Basin to deliver one drop more than the Upper Basin is obligated to deliver under the terms of the Compact.

If there be insufficient water to satisfy all the Lower Basin requirements it is California's present uses in excess of 4.4 million acre-feet that will first be curtailed—not its lawful entitlement. Is this inequitable? California agreed to limit her use to 4.4 million acre-feet per year in consideration of Congress passing the Boulder Canyon Project Act. By her consistent and unrelenting program of opposition to passage of the Central Arizona Project she has successfully enlarged her use of the Lower Basin water so that she has used each year her own full share plus a major portion of Arizona's entitlement.

The records of the U.S. Geological Survey disclose that each year since California passed the Limitation Act (by which California has voluntarily agreed to limit her use of Lower Basin water to a maximum of 4.4 million acre-feet plus one-half of surplus) she has effectively created surplus by preventing Arizona's use of its water and has in some years used as much as 5.3 million acre-feet. The rule of thumb for valuation of this water for municipal and industrial use is \$50.00 to \$70.00 per acre-foot. California has therefore by her successful opposition to further river development been able to add to her economy to the extent of \$50 to \$70 million per year.

The issue before Congress at this time is whether or not California shall be permitted to continue to thwart the Compact, the will of Congress and the decision of the Supreme Court to her own selfish enrichment or whether California, like the other states of the Union, shall be required to live up to her own commitments.

S. 1004 does not make use of "borrowed water" from the Upper Basin. The Upper Basin is protected, first of all by the Compact itself which divides the water between Upper and Lower Basins.

Finally, the Upper Basin is protected clearly and unmistakably by the provisions of Section 12 of S. 1004 which provide:

"Rights of the Upper Basin to the consumptive use of water apportioned to that Basin from the Colorado River system by the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the Lower Basin."

Mr. MURPHY. The Senator from California would like to state that he wishes Arizona would be thoughtful to both the State of California and the State of Colorado by returning to its position of last year. We in California have had many projects started. Because we have such a large share of water is not because California is possibly the most beautiful State, and not because it is the fastest developing State, but because the need for this water was already there.

Mr. FANNIN. I will grant that, but—

Mr. MURPHY. I call to the Senator's attention that the two Senators from California have been in the forefront of trying to do everything possible to implement the furtherance of desalinization so that new sources of water may be supplied from the Pacific Ocean.

Mr. FANNIN. Let me say to the Senator that I also sponsored that bill.

Mr. MURPHY. That, however, takes study. We want to be able to desalinate Pacific Ocean water, perfect weather

modification and study transbasin diversions, but at the moment—

Mr. FANNIN. Unfortunately, we must face the situation as it actually exists today. We are not asking for anything except to be able to use our allotted water—2.8 million acre-feet. We are not trying to take water from anyone. We are the only State that has no other water source than the Colorado system.

I have heard from your people in northern California that their water, approximately 30 million acre-feet, runs wasted into the ocean, and that they would like to be protected from the floods that that creates. We would like to help them do that.

Mr. MURPHY. That is exactly what I made reference to in the bill.

Mr. FANNIN. I will develop that further.

Mr. MURPHY. If the Senator will give me the opportunity—I still have the floor.

Mr. FANNIN. Of course.

Mr. MURPHY. I made that reference earlier. The bill which my distinguished colleague introduced last year would create—

Mr. BENNETT. Will my good friends now engaging in this colloquy give me a chance to get in on this? [Laughter.] The Senator from Utah would like to join this colloquy. I should like to make the speech I have ready but I would be glad to join in the colloquy, with the request that the "wolves" leave the Senator from California alone so that he can finish his remarks.

Mr. MURPHY. I was intending to finish my speech when the Senator from Arizona interrupted me.

Mr. KUCHEL. May I join in the colloquy too?

Mr. FANNIN. I say that we are with you so long as we have what the Supreme Court upheld. Arizona was given 2.8 million acre-feet of water. They are legally and morally entitled to it.

Mr. KUCHEL. Mr. President, will my colleague yield to me?

Mr. MURPHY. I am happy to yield.

Mr. KUCHEL. Mr. President, first of all, I want the RECORD to show that my friend and colleague from California [Mr. MURPHY] is contributing a highly important and very relevant address to a very important debate, a debate that involves not only the future of the State of California, but also the future of our neighboring Pacific Southwest States.

I also want the RECORD to show that I congratulate GEORGE MURPHY for pointing out once again the only means by which we can eliminate this terrible problem of water shortage in the Pacific Southwest States is through legislation which will help all of them, rather than helping only one on a temporary basis while the rest suffer.

Let me say that my friend from Arizona is wrong when he suggests the people of Arizona are paying more for their power from Hoover Dam than we are in California.

I have just been informed by committee staff that the fact is, the people of Arizona, paid 2.62 mills per kilowatt-hour, while the people in the home city of my able friend, Los Angeles, paid 3.32

mills were kilowatt-hour for Hoover power. I want the RECORD to clearly show that.

Mr. FANNIN. Could I later answer that? I know the Senator will agree that others are paying for power at the market price. I want to develop this later.

Mr. President, I ask unanimous consent to include at this point in the RECORD an explanation of the respective rate charges at Hoover by California and Arizona.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

AUGUST 4, 1967.

MEMORANDUM ON POWER RATES—HOOVER DAM

The 1966 average power rates for all contractors from Hoover Dam are as follows:

	Mills
City of Burbank.....	2.09
City of Pasadena.....	2.09
State of Arizona.....	2.62
California Electric Power Company ¹ ..	19.25
Metropolitan Water District.....	2.08
City of Glendale.....	2.08
City of Los Angeles.....	3.32
State of Nevada.....	2.88
Southern California Edison Company ¹	4.20
Energy reserved for United States....	3.06

¹ These organizations have now been merged and consolidated.

The differences in the rates for the various utilities involved are caused by two factors: one, the date of installation of units ranging between 1935 and 1960, and two, the fact that some agencies have installed more generators in order to be able to utilize peaking capacity rather than baseload energy from the Hoover plant.

Mr. MURPHY. Out of deference to the distinguished Senator from Utah, who is most anxious to speak and has a most important message, I shall complete my remarks promptly but I do want to say that this entire colloquy disturbs me terribly. I know of no two Senators in this great body for whom I have a greater regard than my great, close seatmate and former Governor of Arizona, the great Senator from Arizona [Mr. FANNIN], and the dean of the entire Senate, a man whom we all love and admire so much, the Senator from Arizona [Mr. HAYDEN]. However, it disturbs me, as well as my colleagues, to find ourselves in this position where we are in disagreement.

Last year there was complete agreement on this; is that not true, I ask my colleague?

Mr. KUCHEL. Exactly.

Mr. MURPHY. Everyone had agreed that we had, we thought, arrived at an equitable solution to the entire water problem. There was great joy in California. There was great joy in Nevada. There was great joy in Colorado and Arizona. But now, suddenly, for some strange reason, there seems to be a wholly new prospectus.

I do not know the cause of it. I do not know why suddenly the facts of last year have disappeared and new facts have arrived. Does someone have an idea that may be better, that we do not understand, or have new facts that we do not quite understand? This is why this has disturbed me greatly.

I hope sincerely that my distinguished friend, the Senator from Arizona [Mr.

FANNIN], will develop all these points as the debate continues, so my distinguished colleague from California and I will have full knowledge of them and will be able to return to our wonderful, No. 1 State, and explain to our constituents what has happened between these two great, friendly States.

Yesterday I flew over your wonderful State. As I watched the developments of industry on both sides of the river, I realized the joy of the future that is going to be ours, if we can only have a proper solution to these programs. It disturbs me to be in disagreement. I know my distinguished friend will not hold it against me. I am only doing what I regard to be my duty to my constituents in California.

I will remind my colleagues at this time that the report also points out that California is not opposed to utilizing the Hoover and Parker-Davis power revenues for a development fund. That is a major provision of the bill which I cosponsored with the distinguished senior Senator from California, but the fund envisioned in our legislation—and that of other upper basin members—is earmarked for the benefit of the entire seven-State region. Combined with the revenues from the proposed Hualapai pumped storage power project, which the central Arizona project bill forsakes, ample funds would accrue to help finance the augmentation program so urgently needed now to stave off potential water supply bankruptcy.

It is obviously absurd to create a new use on the Colorado River without providing some solution to the underlying problem thereby aggravated—the lack of sufficient water in the river to meet the demands upon it. While other methods of augmenting the river's flow hold out some speculative hope of distant, future relief, it is manifest that in the present or immediate future, only the importation of large amounts of water from areas of surplus offers realistic hope of solving the problem. The critical element of time requires immediate investigation of interbasin exchanges of water.

The lack of any specific directions for such studies and the deletion of the Hualapai project as a potential source of funds for implementing the results represent two of this bill's most serious sins of omission.

For these reasons, I join with my colleague, Senator KUCHEL, and with Senators from Colorado, Utah, and Wyoming to urge this body to reject the central Arizona project bill now before us and to respectfully suggest to Arizona that she renew her former alliance with her sister States and work for a regional solution to the problems that are common to all of us in the area, so all seven States may be provided for and we can go forward with plans for the present, the immediate future, and the distant future as well, to satisfy the needs of all.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MURPHY. I yield.

Mr. ALLOTT. Being mindful of the request of the Senator from Utah, I simply want to compliment the distinguished junior Senator from California on a very

fine statement, which is not only a well-reasoned statement but is also based on the facts. It has been very valuable. The remarks the Senator has made have added a great deal to this debate.

Mr. MURPHY. I thank the distinguished Senator from Colorado. I apologize to all present if I seem to be copying the manner of speech of our distinguished minority leader [Mr. DIRKSEN]. This is not my intent. It is because I have had an impairment in my voice, which is gradually getting better. I fear that if Arizona fails to renew her cooperation with her neighboring States, I will be singing once again long before this matter is settled.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MURPHY. I yield to my colleague.

Mr. KUCHEL. I first repeat my congratulations. Then I join in urging upon our friend from Arizona, even at the last moment as the debate is drawing to an end, to reconsider his position and return, as my able friend has suggested, to the position unanimously recommended by our State and his State and other States in the Colorado River Basin a year ago.

The able junior Senator from California raised the question why these people have changed their minds. Would it not be of intense interest to know what motivated the Secretary of the Interior and the national administration? Why the flip-flop?

Mr. MURPHY. This has occurred to me, but I chose not to discuss it too much today, for fear that there might be a misunderstanding that some partisan, political interjection was involved.

Mr. KUCHEL. That we do not want to do.

Mr. MURPHY. No, we do not want to do that. I am quoting our former distinguished Chief Executive when I say, "Come, let us reason together." Why can we not sit down and return to the agreements of last year? What is so wrong with them? Maybe they have gathered a little dust, but let us sit down and gaze upon them and examine them a bit, and under the dust we may find them to be shiny.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. MURPHY. I yield.

Mr. FANNIN. The Senator has made an eloquent statement, but I remind him that your State is home of the Sierra Club, and the proposal of the dam was looked at last year in the House and it failed.

ORDER FOR ADJOURNMENT TO 10 A.M. MONDAY

Mr. MANSFIELD. Mr. President, it is my understanding that after the Senator from Utah [Mr. BENNETT] has completed his remarks, the Senator from Wyoming [Mr. HANSEN] has some comments to make on the pending legislation, and then, following that, the distinguished senior Senator from Colorado [Mr. ALLOTT] intends to speak for some time.

I ask unanimous consent that when the Senate completes its business this afternoon, it stand in adjournment until 10 o'clock Monday morning next.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

LEAK REPORTED ON PRESIDENT'S TAX PROPOSAL

Mr. WILLIAMS of Delaware. Mr. President, yesterday the President sent to Congress for release a 12 o'clock noon his message recommending a 10-percent surtax increase. A suggestion has been made that there was a leak in connection with this message and that on Wall Street this news was available earlier than noon.

In the New York Daily News of today there is an article entitled "Hint Wall Street Got Tip on Tax News." In the article the question is raised as to how the leak occurred. The suggestion is made that the Securities and Exchange Commission and the stock exchange are now investigating how the leak developed.

Mr. President, there is no secret as to how the leak developed. The way it was handled it was an open secret. This tax message was available to the press early in the morning for release at 12 o'clock noon and was then sent out over all of the wire services. There is nothing mysterious about the fact that somebody may have read this message and took advantage of it.

The question is why somebody in the White House did not realize that potential and did not have the judgment to release news of this importance while the market was closed. Preferably, it should have been released over a weekend. There is no other way for a release of this nature to be handled. Surely the Treasury Department knew that a message of this type would have an impact on the market and that it should always be released after the market has closed or over the weekend. Then all the American people will have the power to evaluate the impact and not just a few people who are on the inside.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MURPHY. Mr. President, I am pleased that the Senator from Delaware has raised this point. I was in New York last night. I assure the Senator that this matter was the subject of extensive conversation. It would seem to me that the advisers of the President have permitted him to be placed in a very embarrassing position.

Many years ago I was a messenger on Wall Street as a runner for one of the brokerage houses. In those days, we were very careful that news which might affect the stock market so vitally was handled with the greatest of care. News of this type should be released when the market is closed or over the weekend. In that way, the impact of the message would hit and the professionals or those who might get the advantage of knowing the news ahead of time could not take advantage of it.

Mr. President, I think it would be interesting and I wonder if it would not be proper for us, as Senators, to ask the president of the New York Stock Exchange to make available to us a complete record of all stock transactions that took place from the hour of 11 o'clock,

when the leak took place, up until 12 o'clock, which would include transactions of selling and transactions of buying.

I am told there were over 13 million shares of stock traded yesterday. This is an abnormal amount. If the release of this news caused that situation, I think that we, as Senators, have an obligation to find out all that we can and make known to the people of the United States how this unfortunate affair occurred. If any great public damage occurred it should be made certain that it will not happen again.

Mr. WILLIAMS of Delaware. I thank the Senator for his remarks, and I agree. The request is being made that the Committee on Finance be furnished with a record of all transactions for the entire day. We should check all transactions during the day, which would cover transactions both before and after the release of the message.

The article in the New York Daily News refers to the fact that while the message was not released until 12 o'clock it was over one brokerage wire service at 11:17. I do not criticize the press; I understand this is standard practice. When a message of this importance is marked for release at 12 o'clock the major wire services naturally put the message on the wire to editors all over the country with instructions to hold for release at 12 o'clock. But certainly the White House knows that one does not keep a secret by telling 5,000 or 10,000 people about it an hour ahead of time. There is no excuse for the manner in which this message was handled by the White House.

There is only one way to prevent such a situation; and that is, to announce all tax messages after the market has closed, preferably over the weekend.

The results of this blunder put the President in a most embarrassing position. I do not suggest that he did this deliberately. I do not think he stopped to consider. However, those advisers around him, the Secretary of the Treasury and others, know the impact of these matters, and they were negligent in not advising the President to hold the message back until the market had closed.

An explanation from them is in order.

Mr. MURPHY. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MURPHY. At the very best, the least that could have been done would have been to have the message released immediately.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. MURPHY. In that way all of the wire services and the people could take advantage of it simultaneously. As the Senator pointed out so correctly, the proper way to have done it, as everybody knows, and certainly the advisers of the President know, would be to release it over the weekend or at a time when the market is closed so that the impact on the market would be minimized. I understand that some of those stocks moved 15 to 20 points.

It will be found that the man taking advantage of the situation, sells going down, buys going up, changes position twice, and doubles the amount of profit

he can take. This is the thing that is disturbing to me.

I thank the Senator for bringing this matter to the attention of the Senate. I join with the Senator in requesting that the matter he brought to the attention of the Chief Executive in the White House so that he will be certain his financial advisers and the Secretary of the Treasury never permit this to happen again.

Mr. WILLIAMS of Delaware. I thank the Senator. In the Agriculture Department where the issuance of crop reports often has an impact on the market there is a practice which was adopted many years ago not to release the reports or the material connected with the reports until after the market has closed. The men who work in preparation of the final report do not come out of the room until the market closes and the report is ready for release. In that way it can be made available to all people before the market opens.

The only solution would be to release the information after the market has been closed so that it can be available to everyone in the morning newspapers, and preferably it should be released over the weekend.

I hope the President will get a new set of advisers. At least he should make sure that it does not happen again. Too many innocent investors were hurt as the result of this negligence.

I am going to ask the Finance Committee to examine all in-and-out transactions of yesterday to see who was taking advantage of the premature notice which came direct from the White House.

Mr. MURPHY. I thank the Senator. I join with him and I congratulate him for bringing this matter to the attention of the Senate. I also join with the Senator in the request that there be made available records of all in-and-out sales, along with purchasers, the houses through which the sales were made, and the buying and selling prices. All of this material should be made available to the Senate and to the press.

Mr. WILLIAMS of Delaware. I thank the Senator.

Mr. President, I ask unanimous consent to have printed in the RECORD the article which was published in the New York Daily News of today and the Dow-Jones scoreboard on the half-hour changes in the market. Following this I ask that there be printed a copy of the notice of this tax increase which was sent out over a national wire service at 11 a.m. yesterday. I note that this message was timed for 1 hour before the noon release period named by the President. Certainly any trader reading this message would not wait until noon before acting.

How naive can the White House be to have thought otherwise?

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HINT WALL STREET GOT TIP ON TAX NEWS
(By Dennis Duggan)

Did Wall Street brokerage houses yesterday leak details of the President's tax proposals a full hour before the scheduled release to the public?

Rumors that "insiders" took advantage of confidential information that reached the brokerage houses by 11 A.M. spread through the financial community.

Millions of dollars could have been made in that hour, during which 2,860,000 shares were traded on the New York Stock Exchange.

COULD HAVE SOLD AT TOP

Traders who were privy to the leak theoretically had an edge over the rest of the trading community. Knowing that news of a tax hike would depress the market, a trader could have sold his stocks at the top of the market and less than an hour later have bought them back at the bottom, bringing a fat profit.

Since the tax hikes were even higher than Wall Streeters were braced for, there was little doubt that the market would undergo a wave of selling, which is precisely what happened.

A spokesman for the Stock Exchange said: "It is still too early to pass judgment, but we will definitely look into these reports, and if they are true there will be a full-scale investigation."

COMMISSION SIFTS RUMORS

Manuel F. Cohen, chairman of the Securities and Exchange Commission, watchdog of the securities market, declined comment on the reported leak of so-called embargoed news.

But a source close to the SEC said that the agency was looking into rumors that traders may have taken advantage of early knowledge of the tax news.

It is known that at least three of the Street's biggest brokerages had news of the tax proposal by 11 A.M. on a "hold for release at noon" basis.

The advance report came over a news service wire just before 11 a.m. Minutes later, selling of stocks accelerated at a rapid pace.

THE MARKET PLUNGES

At 11 A.M., the Dow Jones industrial average was slightly off, down .77. By 11:30, however, still half an hour before the tax outline was to be made public, the market had plunged 5.08 points.

At noon, the industrial average had fallen 8.61 points and at 12:30 P.M., the average had skidded to its low point—off 9.30 points.

How fast the news of the Administration's proposed tax hike flashed throughout the financial community was spotlighted by an advisory bulletin dispatched at 11:17 a.m. a major brokerage house on its nationwide interoffice wire service.

TOLD TO KEEP IT QUIET

In it the brokerage house spelled out the details of the President's tax proposal for its boardroom tape watchers, numbering in the thousands.

One broker, who requested anonymity, said employees were told "not to spread the news around" before noon.

DOW JONES SCOREBOARD

Here is the half-hour scoreboard on how the Dow Jones industrial average reacted to the President's surtax proposal.

10:30 a.m.	-----	-0.06
11:00 a.m.	-----	-.77
11:30 a.m.	-----	-5.08
Noon	-----	-8.61
12:30 p.m.	-----	-9.30
1:00 p.m.	-----	-7.74
1:30 p.m.	-----	-5.37
2:00 p.m.	-----	-2.83
2:30 p.m.	-----	-1.27
3:00 p.m.	-----	-.58
Close	-----	-2.29

WASHINGTON.—President Johnson asked Congress today to impose a temporary 10 percent surtax on corporations and individuals.

This is a 4-percent increase over his previous request.

The surcharge on individual income taxes would take effect October 1. The surtax on corporations would be retroactive to July 1.

In a special message to the House and Senate, Johnson warned that unless these and other new tax proposals are enacted, the Federal deficit for fiscal 1968 will rise from his earlier estimate of \$8.8 billion to a probable \$23.6 billion.

POVERTY WARRIORS—THE RIOTS ARE SUBSIDIZED AS WELL AS ORGANIZED

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent to make a preliminary statement and then an insertion in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKENLOOPER. Mr. President, in the July 31 issue of Barron's Weekly, which is, of course, a highly respected financial weekly in the country, there is an editorial entitled "Poverty Warriors: The Riots Are Subsidized as Well as Organized." It contains a startling compilation of the money that is being funneled by Government officials into various programs and various organizations that are stimulating riots, supporting subversion, and generally causing a lot of the trouble in this country.

It is a startling editorial, or article—whatever one might want to call it—and I call particular attention to the last paragraph, which is rather significant and carries much meaning.

I ask unanimous consent that the editorial be published in connection with my remarks at an appropriate place in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

POVERTY WARRIORS: THE RIOTS ARE SUBSIDIZED AS WELL AS ORGANIZED

Marion Barry and Rufus Mayfield are angry young men. Former national head of the Student Nonviolent Coordinating Committee (SNCC), Mr. Barry in August, 1965, took part in a protest demonstration organized by the so-called Assembly of Unrepresented People. He was arrested and charged with disorderly conduct while leading demonstrators onto the Capitol grounds. "Riot power and rebellion power," he was quoted as saying last week, "might make people listen now." Mr. Mayfield is a Black Muslim. Twenty-one years old, he has spent most of the past eight years in prison for various offenses, including petty and grand larceny. This month Marion Barry acquired gainful employment. He was hired as a \$50-per-day consultant by the United Planning Organization, top anti-poverty agency for the District of Columbia. Rufus Mayfield, according to Rep. Joel P. Broyhill (R., Va.), will serve as Barry's "back-up man."

While perhaps more arresting than most, these are not isolated instances. On the contrary, the files fairly bulge with equally radical cases in point. Thus, federal and state investigations of New York's Mobilization for Youth, pilot project for the Job Corps, disclosed that its staff included several members of the Communist Party. LeRoi Jones, who was taken into custody during the riots in Newark and charged with illegal possession of deadly weapons, once ran a hate-the-whites Black Arts Theater which got \$115,000 in federal funds from Haryou-ACT before police discovered an arsenal on the premises. The

Southwest Alabama Farmers Cooperative Association of Selma, which the Office of Economic Opportunity recently granted \$700,000, numbers among its principals John Zippert and Shirley Mesher. Louisiana's Joint Legislative Committee on Un-American Activities recently documented Mr. Zippert's association with radical causes, including the Kremlin-financed World Youth Festival. According to the Alabama Legislative Commission to Preserve the Peace, Miss Mesher, a former coordinator for SNCC, is "a prime participant in the Black Panther movement designed to overthrow the government..."

Right after Watts (Barron's, August 23, 1965), we observed: "In the name of civil rights, a small band of ruthless men has not hesitated to stir up violence, break the law and undermine duly constituted authority. The so-called civil rights revolution... has begun to mean exactly what it says." Since then compelling evidence, including eyewitness testimony and the findings of a Cleveland grand jury, has shown that the riots are less spontaneous outbreaks than carefully planned subversion. To judge by the record, moreover, civil unrest is not only organized but also subsidized. Thanks to the Office of Economic Opportunity, the U.S. taxpayer now has a chance to finance his own destruction. The Great Society, so Newark, Detroit and scores of other smoldering cities suggest, cannot coexist with the American way of life.

Like the poor, slums and rats have always been with us. Only the devastating riots—and the professional agitators who prepare the tinder, await a spark and fan the flames—are significantly new. The 1964 outbursts in Harlem turned up William Epton, vice-chairman of the Red-Chinese-oriented Progressive Labor Party, who taught people how to make Molotov cocktails. Mr. Epton was convicted of criminal anarchy for his part in the riots. The Rev. Billy Graham called Watts a "dress rehearsal for revolution," a description in which radical spokesmen ever since have gloried. Last year's riots in Cleveland, charged Sen. Frank Lausche (Dem., O.) were the work of a "national conspiracy executed by experts." Shortly afterward a Cleveland grand jury, after hearing the testimony of detectives who penetrated the conspirators' ranks, found that "the outbreak of lawlessness and disorder was organized, precipitated and exploited by a relatively small group of trained and disciplined professionals." In a story on the Newark riots, the current issue of Life Magazine describes its reporters' "clandestine meeting with members of the sniper organization." Finally, SNCC's Stokely Carmichael, whose subversive interests range far and wide, openly boasts of what's afoot. After a quick trip to Prague, he landed last week in Havana. There he told newsmen: "In Newark we applied (guerrilla) war tactics... We are preparing groups of urban guerrillas... It is going to be a fight to the death."

So much for subversion, which the country will ignore at its own risk. As to federal subsidy of violence, an ominous pattern has emerged. From the beginning, as radicals recognized, the war on poverty, notably the Community Action Programs, had impressive trouble-making potentials. Somehow CAP has expanded much faster than OEO expenditures as a whole, surging from \$246.5 million in fiscal '66 to an estimated \$500 million in the current fiscal year. As noted above (much of the material comes from a forthcoming book, "Poverty Is Where the Money Is," to be published by Arlington House and written by Shirley Scheibla, Washington correspondent for Barron's), some of the money funded dubious ventures and put jailbirds and subversives on the federal payroll. Mrs. Scheibla cites other horrible examples: John Ross, member of the Progressive Labor Party, who served on an anti-poverty board in San Francisco; How-

ard Harawitz, member of a similar board in Berkeley and former member of the W.E.B. DuBois Clubs, which the FBI calls "Communist-spawned"; and a number of U.P.O. personnel in Washington, D.C., who turned out to be SNCC organizers and agitators.

Taxpayer-financed trouble has exploded in one part of the country after another. Last fall the mayor of Perth Amboy, N.J., accused the local anti-poverty leader of seeking "to foment and incite unrest, agitation and disorder," a charge which the city manager of Rochester echoed last week. Newark's police chief weeks ago warned that the city faced anarchy because of agitation by federal anti-poverty workers, several of whom were arrested during the riots. In New York City five marauding young Negroes, collared while looting stores on Fifth Avenue, worked for the anti-poverty program; one wore a sweater blazoned, after the OEO-funded agency, "Harlem Youth Opportunities Unlimited."

To fight riots with OEO grants, in short, is like fighting fire with gasoline. However, Sargent Shriver alone is not to blame. Some of the fault lies with local officials like New York's Mayor Lindsay (tapped last week to serve on the President's special advisory body), who repeatedly refused to condemn the appearance of his Human Rights Commissioner at the Black Power conference in Newark, as well as with Mayor Cavanagh of Detroit (first recipient of OEO aid and welfare state showcase), who tied the hands of the police for the first few strategic hours. On the federal level, the country should call to account the Office of the Attorney-General and its three recent occupants: Robert Kennedy, who once wrote a letter to the head of an identified Communist front, seeking advice on a national service corps; Nicholas Katzenbach, who shrugged off all evidence of conspiracy; and the incumbent, Ramsey Clark, who testified against pending anti-riot legislation. The blame reaches right up to the official White House family, to Vice President Humphrey, who last summer said that if he lived in a rat-infested slum: "there is enough of a spark left in me to lead a pretty good revolt."

Law and order are the stuff of civilization; they are also the first duty of government. On the record, "liberals" of both parties, by tolerating subversion, have made a mockery of their oaths of office and forfeited the public's trust. Appeals to prayer are all well and good, but what this country needs is a political and philosophic call to arms.

ORDER FOR RECOGNITION OF SENATOR ALLOTT MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the morning business on Monday, the distinguished senior Senator from Colorado [Mr. ALLOTT] be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

CENTRAL ARIZONA PROJECT ACT

The Senate resumed the consideration of the bill (S. 1004) to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes.

Mr. BENNETT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UTAH'S INTERESTS MUST BE PROTECTED

Mr. BENNETT. Mr. President, the State of Utah wants to take a constructive approach in helping to provide additional water to meet the needs of our sister State, Arizona. Throughout the years our good neighbors to the south have been very helpful to Utah on many congressional, business, regional, and personal problems. Many of Arizona's problems down through the years have been very similar to Utah's as these two States have struggled to solve their various growing pains.

That Arizona has a critical water problem requiring early solution, there is no doubt at all. All of us from Utah, be it Members of the Senate, the House, water officials in the State, or what have you, have pledged to help where we can.

Arizona's right to water in the river was covered in the lower basin allocation in the famed Colorado River compact which was an interstate agreement providing the best means to an acceptable and equitable apportionment of the river. Arizona ratified the compact in 1944.

The agreements were founded on the basis of mutual help, protecting the rights of all involved, through this fine cooperative effort.

However, I regret to say that this bill, S. 1004, the so-called central Arizona project or Lower Colorado River Basin project, in the opinion of Utah's water authorities, does not reflect the spirit of the compact.

It seems to me that basically the bill before us completely ignores the fact that the water supply of the Colorado River is inadequate to meet the future demands on the river. Let me repeat, Mr. President, there simply is not enough water in the Colorado River.

The addition of a new major project to the Lower Colorado River Basin without at the same time making a start on meeting the necessity of finding additional long-range solutions to the water supply problems of the entire basin will only aggravate the problem and jeopardize resource development in the upper basin.

As the committee and the Senate know, Utah and its upper basin friends have joined in pointing out that we were willing to support the central Arizona project, asking in return for provisions authorizing studies of augmentation of the supply of water in the Colorado River Basin.

Utah's water officials—and I have held many conferences with them and I am convinced they are correct—feel that we must have this legislative safeguard in any lower basin legislation so that Utah will have the right to proceed with the development of its entitlement of Colorado River water.

Any large, new project, such as the central Arizona project, can exist only on presently unused compact apportioned water belonging to the upper basin—and can exist only so long as water is not withdrawn by the upper basin States beyond their present capacity to use it.

Utah's present depletions and committed uses total only about 60 percent of our compact apportionment. We are afraid that in the future when we need this water for our own uses we may be standing alone when we try to withdraw it from a going downstream economy for the establishment of new upstream developments. Therefore, Utah's support of any lower basin legislation is dependent upon the inclusion of certain protective measures that will give some assurance that our future water resources development will not be jeopardized.

Unfortunately, S. 1004 as reported by the Senate Interior Committee does not include such protective measures as we feel are necessary. The administration has seen fit to abandon the regional approach to Colorado basin problems to benefit Arizona at the expense of her neighbors. Utah is opposed to a system providing pumping power for the central Arizona project from a thermal generating plant because, among other things, such a plan fails to contribute to a solution of a pressing regional problem.

As I said earlier, this fundamental regional problem revolves around an uncertain future water supply; therefore, it is my State's position that it can support legislation only if there is a "legislative commitment" for a study of an importation of water from sources outside the Colorado River Basin. We feel it is essential for the protection of our own water rights.

In view of the imminent critical water shortage in the Colorado River, Utah will support any feasible means of augmenting the water supply. This protection can and should be realistically provided in this legislation at least by authorizing studies of all forms of augmentation of water supplies, such as reductions in water losses, water conservation practices, desalination, weather modification, importation of water from outside the natural drainage basin of the Colorado River, and any other means. Directly, or by exchange, the new water from any of these sources could be utilized by States in both the lower and upper basins.

Moving now to the next point, Utah feels that the authorization of a high Hualapai Dam is vital to provide revenues for a development fund for repayment of other features of the project, including Utah's Dixie project, and for providing a sound approach for future augmentation of the river. Instead of a dam, however, a financing scheme has been injected into the bill which will effectively stifle any chance that a fund will be created to relieve the water crisis in the Colorado River Basin in time to be useful. According to all the water experts, the basin will need more water before 1990. But there may not be money for anything other than the central Arizona project costs in the development fund for at least 50 years, which takes us to the year 2017.

Mr. President, on this last point, I make the statement because Utah's water officials and I agree with the excellent summary and analysis of the

costs in the development fund which are in the committee report under the minority views signed by Senators KUCHEL, ALLOTT, and HANSEN. They appear on page 120 of the report; and, so that the record can be complete, I ask unanimous consent that the summary and analysis be printed in the RECORD at this point.

There being no objection, the excerpt from the committee report was ordered to be printed in the RECORD, as follows:

PUFFING THE BASIN FUND

On June 26, 1967, the Department of the Interior provided Senator Kuchel with financial tables reflecting development fund income and disbursements which will accrue under S. 1004 as reported. A copy of Secretary Holum's letter and accompanying tables is attached as appendix C to these views.

Secretary Udall predicts gross development fund revenue over the payout period of \$2,261,352,000 and deductions of \$1,882,646,000, leaving a balance of \$378,706,000 in the fund by the year 2025. Careful study of the Secretary's table reveals:

1. The balance in the fund by 2025 is overstated by \$173,203,432.

2. There will be no balance whatsoever in the fund until 2018.

3. Raising the main aqueduct size to 3,000 cubic feet per second adds \$177,147,000 to the project costs. There will be no water to fill the inflated aqueduct unless it is drained away from the upper basin, diminishing the prospect of filling Lake Powell.

4. The tables fail to disclose the possible additional \$100 million drain on the fund for distribution and drainage systems in Arizona.

GROSS OVERSTATEMENT

The Secretary's estimate of \$2,261,352,000 of gross revenue to the basin fund cannot increase unless the rates for the sale of water and power, or the quantities which he estimates will be sold, change. But his estimate of deductions, \$1,882,646,000, is misleading; it can and must change, and change upward only. The Department based its estimates of project costs on 1963 prices. There has already been a rise of 9.2 percent in the cost index (he ignores it), which would result in increasing the deductions from the development fund by \$173,203,432, as of A.D. 2025, even if there is never any further increase in construction costs—a most unrealistic assumption. As the cost index rises higher in future years, this incremental cost, hence these total deductions, will also rise. If the balance in the development fund were corrected to reflect increased construction cost, by the end of the payout period it could be not over one-half of the \$378,000,706 claimed by the Secretary. The proposed new \$30 million Dixie project drain on the development fund further reduces the balance in A.D. 2025.

The Secretary admitted that there will be no net balance in the development fund until the year 2010. When corrections for even present (1967) costs and the Dixie project deficit are incorporated into the calculations, the Secretary's table shows that the fund will be empty until at least 2018, or 51 years from now.

Obviously, the financing scheme which has been injected into the bill kills off any possibility that a fund will be created to mitigate the water crisis in the Colorado River Basin. The basin needs more water before 1990, but for half a century (until at least A.D. 2018) there will not be a single cent in the development fund for use to defray any costs other than Central Arizona Project costs.

Mr. BENNETT. Mr. President, in addition, and to back up the statement the minority views include a chart entitled "Repayment Analysis: Central Arizona Project With Development Fund and

2,500-Cubic-Foot-per-Second Aqueduct" which begin on page 136 of the report. The information was obtained from the Bureau of Reclamation so I am assuming that it is as accurate as any information available. On page 141 where the chart continues we find that the first sign of any net revenues to the development fund appears in the year 2009. However, by the time increased costs and other payments are made the money for the development fund probably will not be available until later, perhaps in 2016—some 50 years from now.

When this lower Colorado River project proposal came before us many of my colleagues in the Senate urged me to join them in sponsoring many and varied versions of proposed bills. These included proposals by Senator KUCHEL, Senator ALLOTT, Senator Moss and others. After analyzing all of the bills, looking over the administration's bill and conferring with interested Utah water officials, I told all of my colleagues who sought my support that I would be pleased to join in any bill that provided the following legislative safeguards for Utah:

First. The authorization of studies to augment the water supply of the Colorado River Basin.

Second. Inclusion of equitable criteria for the coordinated long-range operation of the Colorado River storage reservoirs.

Third. Language making it clear that the lower basin projects shall in no way affect the division of water between the upper basin and lower basin States as established by the compact.

Fourth. Language establishing the planning report on the Ute Indian unit so that it will be finished by 1972.

Fifth. Language providing that it will become a national obligation that augmentation of water from outside the Colorado River Basin will relieve the upper basin from the burden of the Mexican treaty. This, of course, is tied in with any augmentation language.

Sixth. Language including a comprehensive Dixie project, authorizing it to participate in the development fund and providing nonreimbursable fish and wildlife sections.

Seventh. Language providing that the Upper Colorado River Basin fund be reimbursed for all expenditures diverted from it to meet so-called deficiencies in generation at Hoover Dam during the filling period of Glen Canyon Reservoir.

Eighth. Language providing for the Hualapai Dam.

Safeguards 2, 3, and 7 are in the bill before us today.

Safeguard 4 regarding the Ute Indian unit is in the bill, but there is no deadline giving the Bureau of Reclamation guidance or a requirement that the planning report must be completed by 1972, mainly because we all know how these planning reports have a tendency toward taking years upon years to be completed.

Safeguard 5 is really part of No. 1, the augmentation section, so it is not included in the bill.

This brings us to what I consider the most important safeguards as far as Utah is concerned.

No. 1 is water augmentation.

No. 8 is the Hualapai Dam.

No. 6 is a complete Dixie project.

As we know, there is no augmentation and there is no Hualapai Dam. There is some language for the Dixie project, but many questions still remain to be settled with respect to it.

Going back a few years, I should point out that it was my privilege to introduce the first Dixie project bill, offered after the Bureau of Reclamation had completed its restudy of the project in 1961. We authorized this project in the 88th Congress only to discover technical difficulties which apparently the engineers had overlooked. After the project was authorized, they found that the ground beneath the planned power dam and reservoir was unsafe and would not hold water. Alternate sites proved inadequate and from all indications it appeared that Dixie had lost its feasibility because of the inability to sell enough power at a profit so that the water users could repay the construction costs.

This was a severe blow to the people of southern Utah who have been waiting for the Dixie project since the turn of the century. The Dixie project involves a dam on the Virgin River, and the pioneers who went into Dixie 115 years ago began to develop their own version by building an aqueduct, and the small dam which they built with horse-drawn equipment and hand tools—literally carving that aqueduct out of the side of the hill—is still here and still operating. However, this is of course a very minor thing compared with what we are interested in now. The opinion of the people has not changed. As an example of their interest and support for the project, the local citizens agreed to impose an almost unprecedentedly high tax to repay their share of the project costs.

Despite all of this, however, Dixie has become an authorized project that cannot be built. The only apparent way out is to give the project some help from the Hoover Dam power profits. The pending bill does integrate the Dixie project into the development fund. The committee report estimated that the fund could provide \$25 to \$30 million in assistance.

Admittedly on the surface this appears good, but it is not clear at all whether or when Dixie will get any of this money because it is not clear whether or when any of this money from Hoover Dam might be available. One account I saw on the subject rightfully called it "a mortgage on money that will not be available at least until 1991, when Hoover has paid back its own costs—although Congress may draw on that fund earlier in anticipation of Hoover profits."

As I pointed out earlier Utah's water authorities feel that there is some question as to when we can expect any help from the development fund and the minority views covered the subject in my previous insert into the RECORD.

On another aspect of the Dixie project, I should say at this time that I consider it necessary that all of the separable and joint costs allocated to recreation and fish and wildlife in the Dixie project shall be made nonreimbursable. As the language in the bill now stands, Utah's water officials inform me that the local people in southern Utah—the same citi-

zens who have agreed to the 5-mill ad valorem tax which was later dropped to three—would be called upon to pay even more tax money for the fish and wildlife portions of the Dixie project. Reclamation Bureau officials in Utah have told Dixie officials in the fields that under Federal Water Project Recreation Act—Public Law 89-72—which calls for certain amounts of cost sharing of wildlife and recreation features of reclamation projects—they, the local citizens, probably will be called upon to pay half of the fish and wildlife costs.

That is why in every discussion of the Dixie project, be it amendment or bill, we have included the provision that fish and wildlife features be made nonreimbursable. It is regrettable that this language was not included in the bill when the Dixie section was considered on the last day of the markup session in the Interior Committee.

What we have here is a disagreement of interpretation of two words in the bill. Those two words, as I remember, are "previously authorized," and the people who refer to the Dixie project's right to nonreimbursable income for fish and wildlife costs assume that, because the Dixie project had previously been authorized, these words protect them adequately.

Actually, the Dixie project was authorized before Public Law 89-72 was passed. Then, that project as authorized was declared infeasible, and there developed a cloud on the meaning of this phrase "previously authorized."

I cannot understand why our friends, to whom this is not a major problem, either did not get specific authorizations for this use of fish and wildlife money in the pending bill, or why they would resist language to include it in the bill now. It has been in virtually every other bill that was introduced with the exception of the administration bill.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. FANNIN. The bill on page 27, line 7, states:

The Secretary shall integrate the Dixie project, heretofore authorized—

Has that not been provided for previously?

Mr. BENNETT. All I can say is that the water users in Utah, apparently backed by the Governor and his legal advisers, feel this is not adequate. It seems to me that the Utah people have a deep interest and serious concern with it.

Why not make it doubly sure by adding specific language to say that?

Mr. FANNIN. Was it in the previous legislation to which the Senator referred?

Mr. BENNETT. It was.

Mr. FANNIN. It says "heretofore authorized," and it is considered as being sufficient.

Mr. BENNETT. We, in Utah, believe that that leaves us at the mercy of a future Secretary of the Interior, who may say, "That is not the same project. We authorized a project up the river, and now you have had to move it down the river."

Mr. ALLOTT. Or even, unfortunately, the present Secretary.

Mr. FANNIN. I referred to the words "heretofore authorized" because I believed it would help.

Mr. BENNETT. Does the Senator not realize that interpretation of two- and three-word phrases are the basis of some of the most difficult lawsuits in the world?

Mr. FANNIN. If they are not specific, I believe that in this instance it is very clear. It refers to legislation "heretofore authorized." Only one bill has been authorized. Am I correct?

Mr. BENNETT. How firm does the Senator feel about that? Does he feel so firmly that he would not give Utah the satisfaction of language which would make it perfectly clear?

Mr. FANNIN. Only one bill has been authorized heretofore, and I believe it is clear.

Mr. ALLOTT. I must observe that not only do the Governor and the water people in Utah feel this way, but many other people who have had some experience in water matters also are of the same opinion as the able Senator from Utah.

Mr. BENNETT. It is beyond my comprehension why, when the question is raised, it would not be handled immediately, because it is of no great concern to anybody but the people of Utah.

Mr. President, it seems to me that the carrot that was dangled in front of us in the form of a Dixie project is merely bait to gain our support for S. 1004. I am afraid that I cannot bite, and I can report that the people of southern Utah support my reluctance to go along on the terms as outlined in the present bill. The official position of the State of Utah, of the Governor, of Utah's Director of Natural Resources, Mr. Jay R. Bingham, of the Central Utah Conservancy District, and of virtually everyone in the State who has an interest in this bill, remains unchanged, as I have described it.

That generally outlines my views on this proposal, Mr. President. I very much would like to support it, and I could support it if the so-called Allott-Bennett-Dominick-Kuchel-Moss-Murphy amendment, which I understand will be offered soon, could be adopted.

In summary, the amendment to the bill would provide for construction of the Hualapai Dam: a reconnaissance study of importation of water; a basin fund to provide money for importation; the comprehensive Dixie project; nonreimbursable status for Fish and Wildlife features of the Dixie project; priority status for the Ute Indian unit of the central Utah project; establishment of equitable criteria for the coordinated long-range operation of the Colorado River storage reservoirs; as well as a number of Colorado participating projects.

This amendment, if adopted, will provide what I believe is a constructive approach to the problems of the Colorado River. It also would give Utah that long-sought legislative protection.

I had the honor to represent Utah when the Colorado River Storage Project Act was enacted and signed into law by President Eisenhower in 1956. I sin-

cerely hope that the amendments to be offered will be accepted by the Senate to safeguard the interests of all the Colorado Basin States, so that I will have the additional honor of representing Utah when the central Arizona project is signed into law.

Mr. President, so the record can be complete and so that the Senate can have an idea of the feelings of Utahans I ask unanimous consent to have printed in the RECORD at this time editorials from Salt Lake City's two daily newspapers on the central Arizona project proposal.

There being no objection, the editorials were ordered to be printed in the RECORD as follows:

[From the Salt Lake Tribune, July 2, 1967]
CENTRAL ARIZONA BILL BIG DISAPPOINTMENT

The Central Arizona Reclamation Project as reported out of the Senate Interior and Insular Affairs Committee is a disappointment to Utah interests. While it contains financing for the Dixie Project, it lacks any assurances that Utah's unused water entitlement from the Colorado River will be protected. A crumb is little consolation if the whole cake is lost.

That Arizona has a critical water problem requiring early solution, there is no doubt. As a matter of record, Utah officials and reclamation leaders acknowledge the situation and have pledged help. Arizona as part of the Colorado River's Lower Basin was allocated water from the river by solemn agreements dating back to 1922. But these agreements were founded on the principle of mutual assistance, western state signatories believing each would benefit from cooperative efforts. The Central Arizona Project bill as now written does not reflect this spirit.

Utah and its Upper Basin neighbors were willing to support the bill, asking in return for provisions authorizing studies of ways to augment the supply of water in the Colorado River Basin. One such possibility would involve diversion from the water-rich Northwest. Certain Colorado River operation requirements on Glen Canyon's upstream side were also requested. All these concessions were stripped from the bill in the Senate committee, headed by Senator Jackson (D-Wash.), unyielding opponent of diversion of any Columbia Basin water to the Colorado Basin.

Central Arizona was planned on the basis of water supply expectations estimated more than 40 years ago when Upper and Lower Basin entitlements were divided by compact. Subsequent flow measurements show early estimates over-generous and if Arizona is to receive its allocation as river rights were originally distributed, the subtraction will come from the Upper Basin's share.

Utah, Colorado, Wyoming and New Mexico, in the Upper Basin, are as vitally concerned with ultimate development of their water rights as are Arizona, California and Nevada in the Lower Basin. Our future prosperity is limited by the amount of water we can reclaim for industrial, agricultural and residential use. The cooperative approach to region-wide water development must not be abandoned now, but if one of the seven Colorado River Compact states insists on using the leverage of private advantage at the expense of its former partners, the other states have no alternative but to resist.

The Central Arizona bill faces several obstacles before reaching a final congressional vote. It must be examined in the House Interior and Insular Affairs Committee, chair-manned by Rep. Wayne Aspinall (D-Colo.). On June 1 as featured speaker at the Central Utah Reclamation Project's Bonneville Unit groundbreaking, Mr. Aspinall called for the highest degree of water statesmanship in meeting requirements of a growing, but

oftentimes arid, West. He said such diplomacy contemplates the idea of transbasin diversion. We hope Mr. Aspinall remembers those words when his committee considers the Central Arizona Project bill, for, as currently written, it should not pass.

[From the Deseret News, July 1, 1967]
PROTECT UTAH INTERESTS ON THE COLORADO

It's hard to imagine that anyone in Congress wants to stunt Utah's growth and replace regional cooperation with reclamation rivalry. But the Colorado River Water Bill reported out this week by the Senate Interior Committee would, if approved, do just that.

The bill would give Arizona water not in the river if Utah and the other states ever are to get their full shares.

It eliminates the Hualapai Dam at Bridge Canyon, which was relied upon under previous agreements to provide revenue to finance projects to bring water from areas of water surplus into the arid Colorado River Basin.

It calls for a steam electric power generating plant to pump mainstream Colorado River water onto thirsty Arizona acres. This plant is beyond the scope of reclamation in previous western history. It would meet Arizona water users' needs by burning Arizona coal in a facility financed by taxpayers of all states.

How about Utah's future needs?

The bill agreed upon by the seven states last year called for investigations looking toward augmenting dwindling water supplies of the Colorado River Basin, possibly from the Columbia Basin. The new bill, however, contains no provision for any such investigation.

Without imports, how is Utah to get the projects that have been authorized if Arizona and California are allowed to use all available flow of the Colorado River?

Moreover, is it just by chance that Secretary of Interior Stewart L. Udall, an Arizonian, has permitted use of Colorado River water for huge steam generating plants near Farmington, N.M. and for the Mohave Project near Davis Dam, but has said "no" so far to water for the Kaiparowits Project in eastern Kane County?

The Mohave Project will pipe coal slurry from the Black Mesa coal fields in northeastern Arizona to the generating plant in central Arizona. The Kaiparowits Project would use Utah coal. But Secretary Udall has been imposing such conditions for use of the Utah-owned water that the Resources Co. has been unable to firm up its plan for a \$96 million operation in Utah.

Obviously a thorough repair job is in order before either House of Congress should even consider acting on the Colorado River water bill.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. ALLOTT. Mr. President, I compliment the distinguished senior Senator from Utah upon his very valuable contribution to the discussion of this subject.

It is obvious, not only from the complexity of the subject matter but also from the lack of understanding generally of what it entails, that it will take a long time to educate and inform the Senate about this situation.

I say to the distinguished Senator that I recall when he, as the junior Senator from Utah, and I, as the junior Senator from Colorado—although he was my senior—sat in the long hearings, particularly the session in Denver, when the real future of the Upper Colorado

River Project Act was settled; and when, through the pressure of one minor lobby group, the upper Colorado River project was forced to yield to that pressure group, and there was not developed the most feasible, the most economic, and the best revenue producer of all the dams which were originally in that bill.

The Senator from Utah has been unflinching, and he has kept a straight course on his reclamation position throughout all the years of my acquaintance with him. I do not know how many problems connected with reclamation he has discussed with me, particularly those relating to his own State, during the years. His advice and his sound, good judgment have been of help and of value, not only to me but also to other members of the Committee on Interior and Insular Affairs. In this matter, he has kept a steadfast position.

The representatives of his State, of my State, and of the other seven States in the basin worked for years to come to a common plan and a common concept of development, only to find their efforts overturned in one night by the Secretary of the Interior, with a rather peculiar—that is the best adjective I can use—concept to the approach in reclamation which is contained in the pending bill.

I believe that the Senator has made a great contribution in keeping his eyes on the road and stating in such a plain fashion that we cannot solve the problems of the great Southwest for the benefit of one State, and we cannot solve them without looking down the road to the future, whether it is 5 years, 20 years, or 50 years.

As I hope to develop later in my more comprehensive discussion, I believe I will be able to illustrate, that if the pending bill passes in its present concept, there simply will be no future development on the Colorado River for anybody else for a long time.

We used to have a saying on the Arkansas River, along which I was born, where I practiced law, and the waters of which I was very well acquainted, that the Arkansas River rose above Leadville and emptied into the Fort Lions Canal. All I can say is that if the pending bill is passed, we will have to paraphrase that and say that the Colorado River rises mainly in Colorado and empties into the central Arizona project.

I thank the Senator for his contribution, and I appreciate it.

Mr. BENNETT. I thank the Senator very much.

Mr. FANNIN. Mr. President, I commend the Senator for agreeing that this is a basin project, inasmuch that he recognizes that most of his objections have been answered in the bill. I shall go down the list. First, the National Water Commission. I know that is not an acceptable answer to the Senator. On No. 2, the answer is in the bill. On No. 3, there is an answer to his satisfaction. The only question on No. 4 is the date of 1972. I feel that, too, is answered, but not fully. No. 5 is not answered.

With respect to No. 6, I would say that since the language is not clear to the Senator, would it not be in order for us

to get a letter from the Secretary on this matter? I am sure the intent is as the Senator understands it should be, and, therefore, if a letter were obtained, would that satisfy the Senator?

Mr. BENNETT. No, because we will have another Secretary one of these days and one man can not bind another man.

Mr. FANNIN. Does not the Senator feel if the intent is written in the RECORD it would be upheld?

Mr. BENNETT. We feel the safest thing is to have the language in the bill that clearly sets it forth. Anything less than that leaves a loophole which may create future trouble.

Mr. FANNIN. What language would meet that situation, I do not know. However, if the Secretary clarifies it, I think that should be satisfactory. I am not sure what the Senator would desire in this respect.

Mr. BENNETT. The Senator will be glad to supply a suggested amendment which we can debate before we finish with the bill.

Mr. FANNIN. In the hearings and in the markup session, this was discussed, and "heretofore authorized" was considered sufficient.

Would the Senator like a letter to be obtained, at least in that respect?

Mr. BENNETT. I keep saying to my friend from Arizona that we do not trust a letter. A letter is not a substitute for the law.

Mr. FANNIN. But the wording here would be the law. Consequently, it is a matter of interpretation; is that right?

Mr. BENNETT. If the language in the law needs interpretation before the administration of the law begins, I think we are in—

Mr. FANNIN. Evidently, out of 17 members of the committee, there were 14 who voted for it, and that is an overwhelming majority.

Mr. BENNETT. It is the impression of the Senator from Utah that most of those 14 Senators had no direct interest in the problem of Utah. This is one of those things that went by in the normal process of reporting a bill as being insignificant.

Mr. FANNIN. I am sure the Senator realizes the Senator from Arizona has an interest in Utah. We will work closely together.

I would like to do that, and we will do so, if the Senator does not object.

Mr. BENNETT. Does the Senator mean he will get a letter from the Secretary?

Mr. FANNIN. Yes. The letter will be forthcoming.

Mr. BENNETT. I do not object to the Senator getting the letter, but, as I keep saying, a letter is not a substitute for the law.

Mr. FANNIN. But we have the law, so I feel that this would be helpful. I feel an obligation to get the letter. With respect to No. 7, I think we are in agreement that the language is satisfactory.

Mr. BENNETT. That is right.

Mr. FANNIN. We now come down to No. 8, the language providing for the Hualapai Dam. I think the Senator recognizes that we had this language in previous bills in the House of Representatives. They were not accepted. The bills

were not passed. We had a bill last year and he realizes that the dams have been a great problem.

Consequently, I ask the Senator if he has any reason to feel the bill would be more acceptable to the House of Representatives this year than it was last year?

Mr. BENNETT. There is no way of knowing that the bill in its present form is acceptable.

Mr. FANNIN. Yes, and so this is not a determining factor.

Mr. BENNETT. With respect to the people of Utah, for whom I am attempting to speak, they are concerned.

Mr. FANNIN. That is, about the dam in Arizona.

Mr. BENNETT. The Senator is correct.

Mr. FANNIN. It is not connected with Utah.

Mr. BENNETT. But it is a source of funds.

Mr. FANNIN. To the development fund.

Mr. BENNETT. To the development fund, which is vital to Utah, because out of that will have to come funds for the Dixie project, for water augmentation, and, as the able Senator from Arizona has often pointed out, Hualapai Lake will be a recreation haven of incomparable beauty.

Mr. FANNIN. The Senator is correct. There are funds in the bill to take care of the Dixie project.

Mr. BENNETT. This is a matter of disagreement.

Mr. FANNIN. What is the matter of disagreement? Why would funds from Hualapai have any more to do with the Dixie project than the funds now?

Mr. BENNETT. It is a question of the volume of funds. The Hualapai Dam could add to the volume and make it available sooner. As it says in the minority views of the report on page 121:

There will be no balance whatsoever in the fund until 2018.

Mr. FANNIN. Does the Senator agree with the report?

Mr. BENNETT. I agree with the report of the minority.

Mr. FANNIN. As far as the development funds are concerned?

Mr. BENNETT. Yes; the report of the minority.

Mr. FANNIN. Does the minority give an amount that would be involved?

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. FANNIN. I yield.

Mr. ALLOTT. I do not think the central Arizona project is feasible.

Mr. FANNIN. The Senator is very much in a minority in that view.

Mr. ALLOTT. No.

Mr. FANNIN. The vote was 13 to 3.

Mr. ALLOTT. Seven of those votes were proxy votes. They were proxy votes.

Mr. FANNIN. They have all had a chance to express themselves differently. Has the Senator heard anybody express himself differently?

Mr. ALLOTT. Only a few took part in the committee's deliberations.

Mr. FANNIN. I see. Of the 13 who voted, has the Senator had any Senator express himself differently?

Mr. ALLOTT. Not of the 13.

Mr. FANNIN. That answers the question.

Mr. ALLOTT. It does not answer the question, because, of the votes voted, seven were by proxy.

Mr. FANNIN. I have asked the Senator if he has had anyone express himself differently.

Mr. ALLOTT. They were not in attendance at the meeting or at the markup.

Mr. FANNIN. They voted, and it was legal.

Mr. ALLOTT. Let us lay it cold on the record. In amendment 214, which is the amendment the Senator from Colorado and others will offer, page 27, commencing on line 9, there is a proviso which reads as follows:

Provided, That all of the separable and joint costs allocated to recreation and fish and wildlife enhancement at the Dixie project, Utah, and the main stream reservoir division shall be nonreimbursable. Costs allocated to nonreimbursable purposes shall be nonreturnable under the provisions of this Act. Costs allocated to the additional capacity of the system of main conduits and canals of the central Arizona unit, referred to in section 304(a), item (1), in excess of two thousand five hundred cubic feet per second shall be recovered as directed in section 304(a).

This is the language the Senator is talking about, is it not?

Mr. BENNETT. The Senator is correct.

Mr. ALLOTT. This is not in S. 1004, the bill presently under consideration.

Mr. BENNETT. This language is not in this bill because, as the Senator from Arizona explained, they are relying on two words.

Mr. ALLOTT. The Secretary of Interior.

Mr. BENNETT. They are relying on the good nature of the Secretary of Interior.

Mr. ALLOTT. It is about time that we quit relying on the good nature of the executive branch of Government and start writing into law what we mean it to be. The Senator is correct on his position in this matter.

Mr. BENNETT. I say to my good friend from Arizona that I have had the experience of getting an amendment on a bill which was accepted in advance by the administration, and then they decided they did not like it, so I was notified they would not enforce it because there was not sufficient debate on the floor of the Senate to satisfy it. Therefore, I say to my good friend from Arizona that I am gun shy; I am very gun shy.

Mr. FANNIN. I feel the wording is in the bill. I sat through what would be called debate in the committee. I feel that a letter from the Secretary would be appropriate.

Mr. ALLOTT. Did the recent action of the Secretary of the Interior on the central Arizona project—and I am referring to his flip-flop of position—have any influence on the Senator's trusting nature?

Mr. BENNETT. There is an old saying: A foolish consistency is the hobgoblin of little minds.

Mr. HANSEN. Mr. President, it has been suggested by some of those whose sentiments are directed in favor of the passage of the central Arizona project bill that opposition to the measure as reported by the Interior Committee and, indeed, opposition here on the Senate floor, tends to be largely along partisan lines.

Nothing could be further from the truth. In fact, from my own point of view, I think the falsity of this assumption can be illustrated in no better fashion than the unity in opposition to the committee bill that the Wyoming senatorial delegation has on this matter.

My senior colleague from Wyoming [Mr. McGEE] has joined me in sponsoring those amendments to the measure which we feel imperative from the standpoint of Wyoming and the upper basin States. We have conferred frequently as this legislation has progressed through the Congress. We have met with our State officials and others who have such great interest in this bill and its effect. We are in agreement. The bill must not pass in the form reported by the Interior Committee if Wyoming is to reasonably expect to play its proper role in national development and make its just contribution to the national economy and welfare.

Mr. President, the senior Senator is in Wyoming today, so I would like to present to the Senate a brief statement he left with me to read for him in the event this legislation reached the floor in his absence.

STATEMENT BY SENATOR M'GEE, READ BY
SENATOR HANSEN

Mr. McGEE. Mr. President, I wish to join with my Western colleagues today in voicing my most strenuous opposition to the pending central Arizona project legislation.

Without the safeguards pertaining to water importation into the upper basin, as suggested by those who disagreed so emphatically with the report of the Interior Committee, we in Wyoming have no alternative but to assume that the lower basin States want to rob Peter to pay Paul.

Without the guarantee of water importation specifically written into the legislation, Wyoming cannot accede to a bill that in its present form can be characterized no other way than special purpose legislation—to the sole benefit of a single State—Arizona.

Wyoming has been willing to cooperate, and has cooperated through the years in realistic basin-wide programs. But Wyoming cannot sit idly by and see its future spent to quench the thirst of others without solid guarantees to protect her own water resources. Language in a committee report is not enough. You cannot irrigate crops with language. A feasibility study is not enough. You cannot squeeze water out of a study. You get water only when it is delivered to you.

Without provisions for augmenting the Colorado Basin's water supply, passage of this bill and construction of the central Arizona project would have the effect of foreclosing future development in the upper basin, including Wyoming's Green River, because the water would already

be committed to the central Arizona project.

Mr. President, I can think of no more graphic illustration of the shortsightedness of the proponents' position on this bill than that evidenced in a press release which arrived from the Department of Interior in my office just today. That press release quotes a just-completed study by the Bureau of Mines on present and future water demands in Wyoming. In that report, the Bureau predicts that by the year 2000 Wyoming mineral industries will annually require 40 billion gallons of new water—a 100-percent increase.

Thus, we are being told on the one hand that the downstream demands on upper basin water are not unreasonable, nor penalizing toward future development and demands, and on the other hand we are being warned by the Department of Interior—which ostensibly has some expertise on these matters—that Wyoming is going to be faced with a 100-percent increase in the demands on its water usage in the future.

Mr. President, if we in Wyoming were to agree to this legislation as reported by the Senate Interior Committee, we would be guilty of not only abetting a short-range and temporary solution to the problem of a single State with the application of a multistate resource, but we would be equally guilty of shortchanging the expectations of thousands of upper basin citizens who hope to fulfill the destinies and expectations of their own areas of this great country by the sound and reasoned development of our God-given water resources.

Mr. HANSEN. Mr. President, I yield the floor.

Mr. ALLOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, the hour is growing late. For obvious reasons, due to the day of the week, it will be impossible this afternoon to present the amendment by way of a substitute which it is contemplated that certain Senators, including the senior Senator from Colorado, will present to the Senate next week. Nevertheless, I feel impelled to discuss, in a general way, some of the background of the proposed legislation now pending, in order that Senators who are not from the Western States, and who are not acquainted with the seriousness of the water problem in the Western States, will perhaps have a little better idea of what the proposed legislation is all about.

I am fully aware that to the great bulk of the people in the United States, water is something that simply comes out when one turns on the tap. To those pioneers who went across the country and settled in the West many years ago, this was not true and has never been true. The achievement of water in the tap has been

the result only—I say only—of many years of long, hard planning, scraping out long, tortuous canals by means of mules and horses, digging reservoirs and damming rivers by the same arduous efforts, and hoping that ultimately, even when hydrological information was not available, that there would be sufficient water left for the people to accomplish their purpose, so one could, in fact, turn the tap and get water.

Unfortunately, this is something that is not understood by most people of our country, including our great Midwest, who, as a whole, have never had to contend with this problem. I think the people of the East, of the seashore, and of the South were brought closest to this in the last 4 or 5 years with the drought situation which developed in the East. They started thinking, for the first time, in terms of reclamation programs that have made water available in the West. But no one can sympathize more with the people of Washington, D.C., Maryland, Virginia, Pennsylvania, New York or the New England States than the Senators who have spoken here on the floor from the Western States, and who all of their lives have been associated, either peripherally or directly, with the supply, conservation, and use of water.

I happen to be one of those who has been associated with it intimately for 25 years, in the practice of law, before I came to the U.S. Senate a little over 12 years ago. So what I say this afternoon I say from the heart, and mean it—the problems that we are talking about here today are going to be the problems of New England, New York, Pennsylvania, New Jersey, Maryland, Virginia, and perhaps even some of our Southern States, unless they have the foresight and the willingness, to face the problems that our forerunners in the Western States faced, starting over a century ago, and to learn from the problems what we learned to deal with.

Another difficulty of understanding this problem from the viewpoint of the average Senator—and I speak of Senators because, although there are very few on the floor, perhaps they will read these words—is that the basic water law of the East and the basic water law of the West are entirely different.

The basic water law of the East is derived from the old common law, operating under the legal principle of what is known as riparian rights. Stating this in a very rough way, it is that one who owned land adjacent to a stream or a lake was entitled to enjoy the use of that water undiminished in quantity or in quality.

When the great development of the West started—and the States of Wyoming and Colorado were the first States to develop this—the economic necessities of the times dictated that a different principle be adopted. We in the West—and this is almost uniformly true in the West now, slightly modified in some States such as California—have adopted a system of laws relative to the use of water which is known as the doctrine of prior appropriation.

The doctrine of prior appropriation is stated briefly by many people as, "First in time, first in right." This is not all of it, however. It is simply that the first man on a stream to beneficially use water acquires a legal right in the use of that water. This is an oversimplification of a complex principle, but I believe it will be helpful to Senators. When the various States came into the Union, they, either by constitution or statute, or by both, set up certain priorities for the use of that water, and certain statutes providing for the perfection of the legal rights to the title of that water.

Just as a brief example, which would not be specifically applicable to every other Western State, but specifically applicable in my own State, if a man wishes to perfect title to water, he makes a filing with his county and with the State engineer, and then subsequently goes to court and proves the date of his filing and the beneficial use to which he has put the water. He then gets a decree for the use of that water as of that date, and is entitled to the legal right to the use of that water thereafter.

This system raises many complications, as anyone can easily see, but this whole system lies at the basis of the claims and the counterclaims of the West for the Colorado River. Actually, the whole development of the West was, to a large extent, dependent upon this water principle.

The things of which I have spoken, Mr. President, are very, very basic, and not only any lawyer, but almost any farmer or rancher in the West, understands them.

But it is important that the Members of the Senate understand them. Not having lived with the situation, as some of us have, all of our lives, they perhaps do not appreciate the deep significance that these differences in the water law place on the drama now being played before the U.S. Senate—because it is a drama. This is not cut-and-dried technical argument. This is a debate over a matter which affects the future of my State in a very real way. In fact, I can say that it affects the future of every one of the seven States in the basin—Colorado, Utah, Wyoming, New Mexico, Arizona, Nevada, and California.

I do not take my friends from Arizona to task, no matter how wrong I think they may be in their present position. I do not take them to task for attempting to protect and develop what they believe is theirs; because that is exactly what the senior Senator from Colorado intends to do, on this floor, until he has exhausted every ounce of strength to continue.

Perhaps I can make the point more clearly by saying that water is such a valuable commodity in the West that if one man would even attempt to place his hand on the headgate of a lateral or ditch of another man in the West, he would be subjecting himself to the possibility of immediate and violent physical damage. In fact, the history of the West is replete with killings and gunfire just for the protection of such rights. Water, to us, is liquid gold; so much so, I repeat, that anyone in the West who

is knowledgeable at all would not think of laying his hand on the headgate of another man, knowing that in doing so, he risks not only a lawsuit—that would be the fortunate part of it—but bodily harm, if he were caught in the act.

So this is the background against which we speak about the matter. In 1922, 45 years ago this year, the seven States of the Colorado River Basin—with the exception of Arizona, which came in subsequently—entered into a solemn compact dividing the waters of the Colorado River. That instrument is commonly known as the Colorado River Compact. That compact was solemnized with approval by an act of the Congress of the United States.

Basically, in simple words, it did the following:

First, it divided the waters of the river, allotting 7.5 million acre-feet a year to the States of the upper basin, which are Colorado, Utah, Wyoming, and New Mexico, and 7.5 million acre-feet to the three States—Nevada, Arizona, and California—in the lower basin.

This was further restricted by the proviso that the upper States had to deliver, at a point on the Colorado River known as Lee Ferry, down near the Utah-Arizona border, 75 million acre-feet over a 10-year period. The 10-year period being rolled forward 1 year each year, so that each succeeding 10 years of history the upper basin States are obligated to deliver 75 million acre-feet at Lee Ferry.

Despite the fact that the compact was signed in 1922, the upper basin States were repeatedly held back in the development of their water and the means with which to use it until the passage of the Upper Colorado River Storage Project Act in 1956, in which I was happy to have played some small part, although at that time I was a very junior Senator to such people as Senator Millikin, Senator ANDERSON of New Mexico—who had already been in the Senate for some time—Senator Watkins of Utah, Senator O'Mahoney of Wyoming, Senator BENNETT of Utah, Senator Chavez of New Mexico, and our former Senator and great Governor of Colorado, Edwin C. Johnson, who even today, 12 years after his retirement, is one of the great water authorities on the river, and is still most active, physically and mentally, in the protection of our water.

Mr. President, I expect on Monday to call up amendment No. 214. At that time I shall go into many ramifications of that amendment, compared with the present bill, and discuss them in great detail.

But there is one further matter—or perhaps two—that I shall discuss briefly today.

It has been said repeatedly on this floor that Colorado is protected in S. 1004, now pending before the Senate, because we have five Colorado projects authorized—not financed, only authorized in that bill. Those five Colorado projects have gone through all of the feasibility studies that a very reluctant, I must say, Department of the Interior can impose, and now, by virtue of the law of the land, are ready for authorization.

But one thing which has not been discussed—and I shall discuss the other features later—is this: That even though the Colorado projects and the Utah project are authorized, the history of the appropriation process in Congress does not offer us much hope for the future.

As a matter of fact, it seems to me that the development of our water will be a very long deferred process. I must state, however, Mr. President that even when we develop these five projects, we still will not have the opportunity to use all of the water to which we are entitled under the Colorado River compact and under the upper Colorado River compact, which in turn again divides among the upper States the water of the upper Colorado River.

I see the distinguished Senator from Wyoming on the floor [Mr. HANSEN], my great and good friend. Among the States in the upper basin which have barely been permitted to get started—and I say barely permitted to get started—Wyoming stands in first place. Surely, after 45 years, Wyoming has a right to stand up, as she has through her great Senator here, and express her will that she be permitted to develop through the reclamation process the water of her State so that she, too, can share in that which is lawfully and rightfully hers and has been for 45 years. And, we in Colorado feel the same way.

We have been too long denied. We have been too long starved for the projects with which to develop the use of our water.

When I consider all the great opportunities in my State, and I do not want to engage in a chamber of commerce speech, to develop the great agricultural lands which will grow almost anything if we put water on them; when I think of the recent tragedy in the Near East and the necessity that we develop oil shale in Colorado for the protection of the national interest, then I think we can get concerned and even emotional, because in the development of oil shale alone, a trillion barrels of it which is many times more than has ever been discovered in liquid petroleum in the world, we have the greatest single national resource that exists. And these deposits extend over into the State of Wyoming and the State of Utah.

So, there is a national interest. And when we consider that oil from oil shale is short in the element of hydrogen, and that it will take from 1 to 1½ barrels of water in the cracking process to supply the hydrogen that needs to go into a barrel of that oil in order for it to be utilized in the commercial market, we then see something of the demand that we will have for water in Colorado, coupled with the development of our agricultural lands and the demands of our municipalities.

We still have a great area east of the Rockies. There will be further demands, I am sure, for further transmountain diversion down the line to take care of the municipal supplies of our great cities on the east side of the Rocky Mountains—Denver, with all of its environs,

and Colorado Springs and Pueblo, plus supplemental water for irrigation.

When I can foresee down the line the need for the development of this water, I say today that the mere authorization of these projects will not solve the problem for Colorado.

So, I turn to the first subject that I want to discuss here very briefly for the sake of the record. Everything in the Congress of the United States falls into a certain pattern. And there has been a certain amount appropriated each year for the development of reclamation projects in the West.

The appropriations for construction of reclamation projects for the last 10-year period—that is, from 1958 through 1967—has averaged \$242 million per year.

The anticipated appropriations for the next 5 years for the construction of reclamation projects in the West—and this includes the Manson unit, which is a part of Chief Joseph project in the State of Washington, in the home State of the distinguished chairman of our committee, and the Tualatin project in Oregon—run as follows:

In 1968, the present fiscal year, it will require an appropriation of \$238,128,000. In 1969, it will amount to \$406,191,000. In 1970, it will amount to \$437,573,000. In 1971, it will amount to \$422,019,000. And in 1972, it will amount to \$342,714,000. These figures represent the economic rate of construction of presently authorized projects and do not reflect any new authorizations during that period.

The picture is simply this: that, from a financial standpoint, with the projects now underway plus the two which have been authorized by this Congress—and for which funds will be demanded this year—instead of a \$242 million average for the last 10 years, we will be running, except for fiscal year 1968, more than \$100 million over the average that has been appropriated for the past 10 years—allegedly the most prosperous 10 years of our economy in this country.

What will happen if the central Arizona project is authorized, a project which is for the benefit of only one State?

In 1969, it would require \$6,886,000.

In 1970, it would jump to \$17,538,000.

In 1971, it would be \$103,381,000.

In 1972, it would be \$118,543,000.

In 1973, it would be \$115,023,000, which is almost half of what has been appropriated for all 11 States in the last 10 years on the average.

To continue, in 1974 it would be \$100 million. In 1975 it would be \$75 million. In 1976 it would be \$75 million. In 1977 it would be \$50 million. In 1978 it would be \$25 million. From 1979 on, it would drop down from \$15 million to \$1½ million in 1985.

What is the significance of this? Let us just take the next 4 years after the present fiscal year.

With the projects which are now authorized, plus the one in Washington and the one in Oregon—and I am certain that the distinguished chairman of the Interior Committee will be able to see that funds are supplied for the Washington

project—Congress, just to take care of what is now authorized, not what Colorado or Utah or anybody else has in this bill, except Arizona, would have to appropriate in 1969, \$413,077,000; in 1970, \$455,111,000, in 1971, \$535,400,000—over twice the average of the last 10 years; and in 1972, \$461,257,000. At that point, of course, most of the projects under construction will be pretty well finished. It is not possible to project what will happen in the future, but I anticipate that other projects will be authorized and that there will be requests for appropriations for those projects.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. COOPER. I do not wish to interrupt the flow of the Senator's speech, but I am certain he understands that to Members of the Senate who do not live in his great section of the country, this is a difficult subject. I had the opportunity of reading the speech of the Senator from Arizona, and I have heard almost all of the other speeches. My questions may seem simple, but answers to them may help me in arriving at a decision.

Do I correctly understand that the Colorado Basin is divided into two sections—the upper and the lower basin?

Mr. ALLOTT. The Senator is correct.

Mr. COOPER. Is my understanding correct that in the Supreme Court decision—was it in 1964?

Mr. ALLOTT. In 1963.

Mr. COOPER. Is my understanding correct that the Supreme Court held that the flow of water to the lower basin could not be reduced to a point where it would be less than 75 million acre-feet over a 10-year period? In other words, that is assuming an average of about 7.5 million acre-feet a year.

Mr. ALLOTT. May I interrupt the Senator at this point?

Mr. COOPER. The Senator knows much more about this subject than I do.

Mr. ALLOTT. I do not believe the matter of which the Senator is speaking came from the Supreme Court decision. It came from the Colorado River compact, which was entered into in 1922, which provided—for the purpose of the Senator's discussion of the moment—two things: First, that 7.5 million acre-feet was allotted to the States of the upper basin and 7.5 million acre-feet to the States of the lower basin; and, second, that the upper basin would deliver, at a point called Lee Ferry, 75 million acre-feet over a rolling 10-year period.

Mr. COOPER. That is correct. I did know that it was based on the compact, but the Supreme Court referred to the compact.

It is provided now that the supply water in the upper basin cannot be reduced so that it would not have available 75 million acre-feet?

Mr. ALLOTT. Seven and five-tenths million.

Mr. COOPER. Seven and five-tenths million acre-feet per year over a rolling period of 10 years. Does the pending bill change that in any way? Could it deplete the upper basin below 7.5 million acre-feet?

Mr. ALLOTT. I will have to answer that question in two ways, and the Senator from Arizona will disagree.

It would not deplete the waters of the upper basin, but the waters of the upper basin can be used only as reclamation projects are developed to permit them to withhold the water for use. It is the lack of this development, for example, that has permitted, over these 45 years, the great majority of the water from the States of Wyoming, Colorado, Utah, and New Mexico to go down the river, where it has been utilized.

I must say this frankly, that Arizona has never been able to utilize all the water to which it has been entitled, and the water has been utilized to a great extent by the State of California. For example, when the Supreme Court decision was announced in 1963, California was put in the position of cutting back its use of water—and this is complicated by previous agreements also—from 5.2 million acre-feet a year to 4.4, provided there was 7.5 million acre-feet of water in the lower river.

Mr. COOPER. I will hear the Senator's speech on Monday. But am I correct in my understanding that the thrust of the argument that the Senator has been making—at least one point of it—and which I assume he will make on Monday, is that these projects in his State and in the State of Wyoming should be developed so that those States could have a use of this water which they do not now have?

Mr. ALLOTT. That is part of the matter. The other part which has great significance and is contained in the amendment by way of a substitute which will be offered by several Senators, including myself—is that a study of augmentation of the water supply in the river must be undertaken. As the situation now exists if the central Arizona project were in operation today, we would still be adjusting shortages of water in the river.

Mr. FANNIN. Does the Senator mean that as of today we would be adjusting shortages of water in the river?

Mr. ALLOTT. Not as of this minute.

Mr. FANNIN. The Senator is talking about 30, 40, or 50 years from now?

Mr. ALLOTT. I am talking about the situation as of today, if we had the river developed.

Mr. FANNIN. But the river is not developed.

Mr. ALLOTT. Water is going down the river now, yes.

Mr. FANNIN. I was merely seeking to be helpful.

Mr. ALLOTT. Perhaps I should have put it in the context of the developed river. As I see the river developed, there is no escaping the fact that if the central Arizona project is developed, and if we develop just the five Colorado projects which are authorized in the bill, which do not utilize all of Colorado's share of water—and Wyoming is still sitting outside in the cold, for the most part—there would be a shortage of water in the entire Colorado River Basin.

Mr. FANNIN. Does the Senator not agree that the upper basin States have

the obligation to release the amount of water that the Senator from Kentucky has referred to, and that this will not be changed by the proposed legislation?

Mr. ALLOTT. I do not understand that the Senator from Kentucky asked that question.

Mr. FANNIN. I believe he did.

Mr. COOPER. Yes, I did ask the question whether the bill, if adopted, would in any way change the present requirement that 7.5 million acre-feet a year must be preserved for the upper basin.

(At this point, Mr. Spong assumed the chair.)

Mr. ALLOTT. It does not change that requirement. I thought the Senator was going to ask a simpler question which is whether we would have to provide 7.5 million acre-feet or a rolling average of 7.5 million acre-feet to the lower basin. The answer is "Yes." The bill, however, does not change the fact that the upper basin is still entitled to 7.5 million acre-feet of consumptive use.

Mr. COOPER. Assume there was not 15 million acre-feet available in 1 year. Would there be an equal division or would the lower basin or upper basin have priority to use or consume 7.5 million acre-feet?

Mr. ALLOTT. The purpose of the construction of the Glen Canyon Dam, which impounds Lake Powell, was for the purpose of enabling us to regulate the river in order to accomplish these deliveries on a year-by-year basis. Before that time, without the development of the upper basin, there was no choice. The water came down and that part which could be used was diverted by irrigation ditches. The remainder went down the river, and anybody who had use for the water and could justify its use under State laws, grabbed it. In that respect it does not change the fact that we are still entitled to 7.5 million acres of water in the upper basin.

Mr. COOPER. Is there a priority of one basin over another basin, assuming the river could not supply 15 million acre-feet? Who would lose?

Mr. ALLOTT. The river cannot and will not supply 15 million acre-feet. I do not have those hydrological tables with me. But, because of the delivery requirement, the upper basin loses.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. ALLOTT. I shall yield in a moment, but first I wish to complete my answer.

In the minority views, page 87, we pointed out:

The experts agreed that, while the project could not be justified on the water supply actually available during the past 45 years, which averaged only 13.7 million acre-feet for all uses in both basins, there was a 50-50 probability that 14.9 million acre-feet might be available.

This was based on conjecture. That is all it could be based on. I do not agree with that conjecture.

To answer the question, there is no way I can see that the upper basin States can avoid their obligation to the lower basin States under the Colorado River compact of delivering 75 million acre-feet of water, regardless of what is in the river, over a 10-year period.

Mr. COOPER. That is the interpretation I had from reading the statement.

Mr. ALLOTT. It was a most unfortunate compact for the upper basin States. We had some of the most brilliant water minds, representing Colorado and the upper basin States at that time, in connection with the entire river. Now it is very easy for us to look back and see that they made a mistake. However, with the hydrological information they had available at that time they guaranteed delivery of 7.5 million acre-feet. They may have thought they were gaining some advantage on the river to the upper basin States. But, it must be remembered, they thought there was 18 to 20 million acre-feet in the Colorado River. However, as history developed, and taking the last 20 to 30 years, the water simply is not there.

Mr. COOPER. For industry and agriculture.

Mr. FANNIN. I would like to answer the question further, if the Senator will yield.

Mr. COOPER. First, I would like to ask this question, and perhaps the Senator can answer it.

Mr. FANNIN. Surely.

Mr. COOPER. There is 1.5 million acre-feet, which I understand has, by treaty, been contracted for delivery to Mexico. Is that a part of the 7.5 million acre-feet which must be delivered into the lower basin or an additional amount of water which is to be delivered?

Mr. ALLOTT. One of the great quarrelsome points we have is the extent to which the upper basin is obligated to share Mexican Water Treaty burden.

Mr. FANNIN. If the Senator will yield, I shall answer the question.

Mr. ALLOTT. I yield.

Mr. FANNIN. There is an obligation to deliver 1.5 million acre-feet. It was considered that water would be delivered on surplus. If the time came that it could not be delivered because of a shortage, we would all share the shortage. If there were a shortage of 100,000 acre-feet the upper basin and the lower basin would each share by delivering 50,000 acre-feet.

Mr. ALLOTT. I shall clarify the last answer. If there is a deficiency in the lower basin we would be obligated to that extent.

The Senator from Kentucky has put his finger on one of the most sensitive aspects of this controversy. If the river could free itself today of the Mexican Treaty obligation of 1.5 million acre-feet a year I think it would be possible for us to resolve many of our differences. But we cannot free ourselves of that obligation at the moment. We have had many disputes with Mexico. The Senator from Arizona participated in those discussions. I heard him talking about the matter the other day where the Mexicans are complaining about the quality of water they receive there. But, Mr. President, there is no point in talking about this because we have no way to rid ourselves of the problem. This is why we think that a water augmentation study is a necessary part of the bill.

Mr. COOPER. Does the Senator fear, if this bill is passed, that it will reduce

or, if not, prohibit for some time possible legislation dealing with the augmentation of water in the Colorado Basin?

Mr. ALLOTT. If this bill is passed in its present form there will be no study for the augmentation of water. We will have to wait on the decision of the National Water Commission which hopefully will be appointed. At the time that bill went through the Senate the senior Senator from Colorado offered an amendment to the bill, to place the study of the Colorado River Basin at the top of the list. This amendment was unacceptable to the chairman of the Interior and Insular Affairs Committee even though the Secretary of the Interior said that this was the most critical and crucial water problem in the United States. Now we must wait for a willy-nilly commission report which is off in the future some 5 years or more.

I would say that there is no augmentation in this bill. I must state quite frankly that I think that one of the chief purposes, of the present bill is to defer a study of augmentation.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. HANSEN. Mr. President, in an effort to be helpful to the Senator from Kentucky I would like to call attention to some official records that I think may be interesting and informative. I refer to page 408 of the central Arizona project hearings and I call attention to reports made by the Colorado River Board of California, the annual report of 1964-65 and the USDI Pacific Southwest Water Plan Report.

These figures show the average annual consumptive use from the mainstream in lower basin, for the years 1961 through 1965. This is for a 5-year period. During that 5-year period, the State of Arizona used an average each year of 976,400 acre-feet; California used 4,989,400 acre-feet; Nevada used 24,000 acre-feet; Mexico used 1,850,400 acre-feet. There was evaporated from Lake Mead 800,000 acre-feet. The computed net losses—Hoover Dam to Mexico amounted to 988.2 acre-feet.

These uses and losses total 9,628,600 acre-feet.

I point this out to the distinguished Senator from Kentucky, because it demonstrates quite graphically that the lower basin area of the Colorado River and the nation of Mexico presently used far in excess of the 7.5 million acre-feet plus the 1.5 million acre-feet that are to go down to Mexico according to the treaty ratified in 1944, that when we consider these uses alongside the fact that for a period of years there has been measured at Lee Ferry, taking into account what is used above and is used below, between 13.7 and 14 million acre-feet of water in the river annually, we begin to realize what the situation in the upper basin States is and what the situation is in the lower basin States.

Were it not for the fact that the States of Colorado, Wyoming, and Utah are not using their present entitlements, there would not be any water at all for the central Arizona project, because they are already using far in excess of

what their legal commitments are under the terms of the compact.

Mr. FANNIN. Not Arizona. It is not even close to what the Senator is referring to. I want to cover that in a moment, because I think it is very important.

Mr. HANSEN. If I may, I simply call attention to the fact that this area down here in California is in excess of the use recognized by the Supreme Court decision.

Mr. FANNIN. And Mexico.

Mr. HANSEN. There are 4.4 million acre-feet under the terms of the Court decision available for California, except when there is a surplus in the river. According to the terms of the Court decision, when there is a surplus, that surplus is to be divided equally between the States of Arizona and California.

It is also true that the Mexican Treaty calls for 1.5 million acre-feet of water. They used 1,850,000 acre-feet. There are other uses, not authorized uses, yet they are real uses. We cannot stop evaporation. Maybe they will be able to stop it by squatters along that stretch of the river.

Mr. FANNIN. Mr. President, will the Senator from Wyoming yield?

Mr. HANSEN. I will be glad to yield to the Senator in just a moment, but I should like to make this point, that we are talking about the situation existing there now, with the exception of the additional use of water made by California and what little extra of the 350,000 acre-feet that go to Mexico. That is the situation. Before that can be changed, something else must be done down there, which must be made available for the lower basin if the central Arizona project is going to have water down there. It means some of these uses will have to be cut back, and even if they are cut back, we cannot hope to save enough water, I think, to make the central Arizona project feasible without using water which is presently credited and authorized for the upper basin States.

I invite attention to this, because I think it is important to understand what our position is.

Mr. FANNIN. Mr. President, will the Senator from Wyoming yield?

Mr. ALLOTT. I have the floor. I will yield in just a moment.

Mr. FANNIN. I thank the Senator.

Mr. ALLOTT. The distinguished Senator from Kentucky, as always, has asked some very cogent questions, particularly with respect to the water supply. I invite his attention, particularly for his own reading, to my individual views toward the end of the report, and particularly to pages 150 and 151. I discuss the question of water supply and the three chief engineering studies which have been made most recently upon this question: one by the Bureau of Reclamation, one by the engineering firm of Tipton and Kalmbach, for the Upper Colorado River Commission, and another study made by engineers of lower basin States.

Because of the Senator's interest, and from his questions about the water supply, I think he would be interested in reading this.

Now I am happy to yield to the Senator from Arizona.

Mr. FANNIN. I thank the Senator from Colorado. I would say that if we look back we might say, "Why do we have a compact?" We have a compact because California was developing much more rapidly than any other State. They were diverting water which could have posed a serious problem for the other States, especially the upper basin States. Thus, the compact was devised as protective matter.

Arizona did not agree to that compact for almost 15 years because we did not think—since 700 miles of the river runs through and along the borders of Arizona and California with less than 250 miles of river border—that we had a fair arrangement—an allocation of 2.8 million acre-feet and California 4.4 million acre-feet. But, nevertheless, we were forced to agree to it, by 1944, because we did want to go forward with our own development.

S. 1004 does provide for the conservation of water. If we will notice, the computed net losses on the river from Hoover Dam to Mexico are almost 1 million acre-feet.

Senate bill 1004 contains a provision to enable going forward with practices to save water, such as channelization, by methods of free enterprise. So we are hopeful that with that and other conservation practices on the river it will be possible to save around 680,000 more acre-feet of water.

We have tried to get our project for 20 years. If we had been successful, we would not be in the dire need that we are today. That was no fault of the upper basin States, but California insisted that we did not have the rights we contended we did have. Consequently, we were forced to go to the U.S. Supreme Court and were delayed by that law suit 11 years in our attempt to get legislation. We are still trying to get that legislation for a survival project for Arizona.

Colorado has not developed its projects so as to use even one half its water. We wish Colorado well. We hope to assist Colorado in doing so. But why should our State that has the greatest need continue to suffer the most, when the other States have water. For instance, although California contends it may be short of water, it is in a position to obtain water from other sources within its own borders. I have before me a report or a statement of the executive committee of the Eel Flood Control and Water Conservation Commission of California in connection with bills considered in the House of Representatives.

I also have a table which illustrates the amount of water used in California. According to this particular statement, the counties of northern California, because of their over abundant supply, were desirous of having water diverted from their area to the south, so that it could be used to alleviate problems in the south, specifically in the Lower Colorado River Basin.

I shall at a later time place the entire statement in the RECORD.

Mr. ALLOTT. Would the Senator agree that the bill before us would not even allow us to make such a study for importation of water, even though Mr. Ely, in testifying for the State of California in

the hearings, said that California would ask for such a study?

Mr. FANNIN. The bill would not prevent a study. The National Water Commission will obviously study it. Arizona does not have any other source of water, such as California, Colorado, and Wyoming have. We are dependent on the water from the Colorado River.

Mr. ALLOTT. Will the Senator from Arizona tell me what other sources of water Colorado has?

Mr. FANNIN. Colorado is fortunate in having other sources of water.

Mr. ALLOTT. Colorado has only the streams that flow in that State. The Senator from Arizona asked a while ago: While should not Arizona have the water? I ask: Why should not the State that furnishes 70 percent of the water that flows into the Colorado River have a chance to develop its resources?

Mr. FANNIN. Colorado made a compact several years ago. In that compact, Colorado was protecting its rights on the Colorado River but by that compact clarified the rights of the other lower and upper basin States. Arizona merely wants Colorado to live by that compact. We want to live by that compact. That compact entitles us to have 2,800,000 acre-feet of water.

Mr. ALLOTT. Colorado will be so protected when and if Congress authorizes and provides funds for the development of every single drop of water to which she is entitled, and not until then. It is not worth a hoot to us as long as it keeps flowing down the river for anybody in the lower basin to grab. The Senator knows that.

Mr. FANNIN. Every month and year we are suffering more and more.

Mr. ALLOTT. Arizona is not the only one.

Mr. FANNIN. We are the only one suffering to this extent.

Mr. ALLOTT. My position on S. 1004 is premised upon the relief of suffering of all our sister States, not just one.

Mr. COOPER. Mr. President, this discussion has been very interesting. If the Senator will permit me, I would like to ask the Senator from Arizona a question. Under the compact, how many acre-feet of water are appropriated annually?

Mr. FANNIN. It is 2,800,000. We recognize that if there is a shortage, it is up to the Secretary of the Interior to decide the allocation of that shortage. All we are asking is our rights to the percentage of water allocated. We want the water that would be so utilized.

Mr. COOPER. I have enjoyed listening to the debate the past few days. I want to compliment all of you. I have never heard a group talk about a problem which is of vast importance to all of you with your knowledge and understanding of it as it affects your States in that whole area. I have enjoyed hearing the statements, and I have learned something, due to your clarity and your belief in your positions. I also think it is very important from the country's standpoint that the Senators have pointed out the absolute necessity of water.

Mr. ALLOTT. Some of the Eastern States may be facing this problem. The

Senator has been helpful with his questions.

Mr. FANNIN. I wish to thank the Senator from Kentucky.

Mr. ALLOTT. I want to say one thing to the Senator from Arizona. I know he misspoke a moment ago. Actually, the compact did not give Arizona any water.

Mr. FANNIN. The Supreme Court did.

Mr. ALLOTT. The Supreme Court's decision perfected Arizona's right to the specific amount of water contained in the compact.

Mr. FANNIN. That is a technicality. Arizona was given water included in the amount coming down to the lower basin.

Mr. ALLOTT. But not any specific amount.

Mr. FANNIN. But it was given water. The amount was settled by the Supreme Court.

Mr. ALLOTT. Is that not exactly what I just said?

Mr. FANNIN. The Senator said we did not have specific water in the compact.

Mr. ALLOTT. Arizona did not have a specific amount of water until the Supreme Court decision.

Mr. FANNIN. We thank the Senator for clarifying that.

Mr. ALLOTT. The Senator knows that.

Mr. FANNIN. The Supreme Court did clarify it. We do have 2,800,000 acre-feet of water allotted to us in the lower basin. According to the Supreme Court, we are just as entitled to those rights as California is.

Mr. ALLOTT. If the 2,800,000 acre-feet are available.

Mr. President, I have concluded my preliminary remarks for the day and will continue Monday, when we take up this matter again.

Therefore, I yield the floor, because I told the distinguished Senator from Vermont [Mr. PROUTY] some time ago that I would.

INCOME TAX TREATMENT OF CERTAIN DISTRIBUTIONS—DEDUCTION OF MEDICAL EXPENSES BY TAXPAYERS AGED 65 AND OVER

AMENDMENT NO. 242

Mr. PROUTY. Mr. President, today I have had printed an amendment to H.R. 4765, which was reported from the Committee on Finance yesterday. When H.R. 4765 is called up I intend to offer that amendment to it.

The amendment would essentially do two things:

First. Restore the right of a taxpayer age 65 or over to deduct all medical expenses he incurs for himself and his spouse; and

Second. Restore the right of taxpayers in this age bracket to deduct all amounts spent for medicine and drugs for themselves and their spouses.

Both provisions were applicable to taxable years prior to 1967. Beginning for the taxable year 1967, under present law, the medical expenses deduction for persons 65 or over will be reduced to that portion which exceeds 3 percent of adjusted gross income. My amendment will continue the present deduction for these older people.

Last year, the Committee on Finance amended the Foreign Investors Tax Act of 1966 to include these provisions and the amendment was approved by the Senate. However, the Senate conferees found it necessary to recede. The Senate had, also, passed this same amendment in 1965.

Despite medicare, 55 to 60 percent of the medical costs of elderly citizens have to be paid by them, and this constitutes a terrific and frequently unsurmountable burden for a great majority of older people.

Common humanitarianism suggests that those now trying to exist on grossly inadequate social security benefits and small pensions should not be forced to assume an obligation which was not theirs prior to January of this year.

I sincerely hope that all Senators will recognize the importance of this amendment and will support it when it is called up on the floor.

FAR-REACHING FEDERAL CONTROLS OVER MUTUAL FUNDS NOT IN PUBLIC INTEREST

Mr. BENNETT. Mr. President, this week, the Banking and Currency Committee began hearings on legislation recommended by the Securities and Exchange Commission which would change the philosophy and purpose for which that Commission was established. From its beginning the fundamental purpose of the Securities and Exchange Commission has been to provide full disclosure of information regarding securities. How often, we have heard it emphatically stated by spokesmen of the Commission that its purpose is not to pass on the quality of securities or to determine what is or is not appropriate with respect to price or profits.

DISCLOSURE IS DESIRABLE AND EFFECTIVE

It is with this long background and history that one cannot help but be surprised at the recommendations presently being discussed in the Banking and Currency Committee. I believe that most of us, including myself, are in sympathy with the responsibilities granted the SEC, to provide for full disclosure. Securities are a special type of commodity, the value of which depends on many factors not readily apparent. When one considers the purchase of a home or an automobile, or household appliance, he may not know very much about the construction, or operation of the product, but at least he can see what he is purchasing. Not so with a security. He receives only a certificate representing part ownership in something that he probably has not seen and will never see. Thus, it is important that he be provided with facts regarding the enterprise in which he is purchasing a part.

Disclosure requirements have been very helpful to investors who do not have the time or knowledge to delve into those intricate facets of an enterprise which determine its value. Once the disclosure is available, it has been the general philosophy that the prospective investor should be free to determine whether or not he desires to invest, without any additional protection by Government, except, of

course, from fraudulent or dishonest operations.

PROPOSED AMENDMENTS ARE TOO BROAD

In the present proposals for supervision of open-end investment funds we have a request for powers suggested for the Securities and Exchange Commission which are not limited to disclosure or regulations regarding disclosure but are concerned with the decisions that have always been reserved to shareholders, investors, market forces and management.

It is unfortunate that agencies of the Federal Government sometimes lose confidence in the operation of the free enterprise system to the extent that they seem to feel the only way to protect the public is to regulate prices, profits, and methods of operation of private nonmonopolistic and nonutility enterprises. This is exactly what the legislation pending before our Banking and Currency Committee would do.

MUTUAL FUNDS ARE WELL MANAGED

The mutual fund industry has been developed to give the person who has a relatively small amount of capital to invest an opportunity to acquire expert management and a diversity in his investment; it has been operated in a reasonable manner. It has provided investors who have little capital to invest and sometimes must build that capital by saving a small monthly amount the advantages of excellent management of their funds at a fee far lower than would have otherwise been possible. The record indicates that those who have purchased mutual fund shares have profited handsomely over the past three decades.

If mutual fund shareholders generally were dissatisfied with their investments, or if even a significant number had begun to complain to Congress there would be some reason to be sympathetic with the idea that there should be certain restrictions on the industry, but the shareholder reaction is all to the contrary. Of the thousands of letters I have received from shareholders and industry since this legislation was introduced, not one correspondent has expressed support for the legislation. And, I would wager that the correspondence of all other Members of this body has not been far different from my own. The general comment from shareholders is that when they purchased their shares they knew what the sales charge was, and considering the doubling or tripling of the value of their investment, they consider the sales cost to be insignificant. Incidentally, the sales cost is disclosed on the face of every prospectus, and from the information supplied at the hearings it is obvious that it is discussed with every prospective buyer. No one would suggest that all investors in mutual funds are completely aware of all facets of their investment, since many are unsophisticated in matters of investment. This does not mean, however, that because of their lack of knowledge or sophistication the mutual fund industry is taking advantage of them. The very fact that some very sophisticated investors with many millions to invest purchase mutual funds in order to make use of the same management and get the same results as the person with only a few dollars and no investment know-how

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued August 8, 1967
For actions of August 7, 1967
90th-1st; No. 123

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HIGHLIGHTS: House committee reported peanut acreage allotment bill. House agreed to World Farm Center resolution. House subcommittee approved bill to permit advance payments to wheat producers.

SENATE

1. MEAT INSPECTION. Sen. Brewster added his name as a cosponsor and spoke in favor of S. 2147, the proposed Wholesome Meat Act of 1967, and inserted an editorial supporting his position. p. S11000
2. FORESTRY. Sen. Morse inserted a letter from the Forest Service which concerns "the status of comparative studies of allowable cutting rates and management planning methods used by the Forest Service, Bureau of Land Management, and Bureau of Indian Affairs." pp. S11055-6

3. RECLAMATION. Passed with amendment S. 1004, authorizing construction and operation of the Central Arizona project. pp. S11018-50, S11056-69
4. AIR POLLUTION. Sen. Boggs inserted an article, "Crisis in the Air from Cleveland to Los Angeles." pp. S10980-1
5. POVERTY. Sen. Nelson inserted an article describing the work of an OEO project, "Upward Bounders Study Conservation." pp. S10987-8
6. SMALL BUSINESS. Sen. Jackson commended the loan program of the Small Business Administration and cited an example of "how businessmen in the State of Washington are using sound business practices and innovative genius to promote both agriculture and industry in building a strong economy for our State." pp. S10988-9
7. BUDGET. Sen. Proxmire inserted an article which criticizes the estimates in the budget deficit, "Treasury Missed Tax Yield Guess--Fiscal Mystery is Blamed for Enlarging of Deficit in Federal Budget." pp. S10989-90
8. RESEARCH. Sen. Yarborough inserted a Tex. farm association resolution urging more State and Federal funds for agricultural research in Tex. p. S10992
9. HOUSING. Sen. Percy inserted an article, "Housing and Urban Development, 1967," and stated that the article is "an excellent short summary of the present status and prospects for Federal housing and urban development programs." pp. S11004-8
10. MINK IMPORTS. Sen. Bennett spoke in favor of his bill S. 1897, to limit duty-free imports of mink, and inserted a letter supporting this measure. pp. S11051-2
11. WILD RIVERS. Began consideration of S. 119, to reserve certain public lands for a national wild rivers system. pp. S11069-72
12. FEDERAL SPENDING. Sen. Miller inserted an article, "Taxes and Problem of Financing A War," and stated this article, "well points out the deep need for drastic reduction in nondefense spending and the establishment of priorities for our Federal Government's spending budget." pp. S11076-7
13. GEOTHERMAL STEAM. A subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration with amendment S. 23, authorizing issuance of leases for development of geothermal steam on the public lands. p. D689
14. WHEAT ACREAGE. Sen. Jackson was added as a cosponsor to S. 1722, to amend the wheat acreage allotment provisions of the Agricultural Adjustment Act of 1938. p. S10977

HOUSE

15. PEANUTS. The Agriculture Committee reported H. R. 11565, to amend section 358 of the Agricultural Adjustment Act of 1938, as amended, to authorize the transfer of peanut acreage allotments (H. Rept. 539). p. H10048

The antirioting bill or "Stokely Carmichael" legislation as passed in the House of Representatives and in the form being considered in the Senate Committee on Judiciary is clearly unconstitutional. Let us not surrender to anger and hysteria. Rather, let us be vigilant and insistent that city, county, and State prosecuting or district attorneys enforce the many and entirely adequate criminal laws of their States and the adequate ordinances of their cities and villages against disorderly conduct, rioting, looting, assault, and a multiplicity of offenses, and that State Governors call out the entire National Guard of such States if and when violence and law-breaking attains the magnitude of the recent violence in Detroit. If Congress has nothing better to do let us adjourn instead of passing bad, unconstitutional, and unneeded criminal laws such as was recently passed in the other body.

Mr. President, I yield the floor.

ORDER OF BUSINESS

Mr. ALLOTT. Mr. President, I ask unanimous consent that I may yield to the distinguished majority leader for such time as he desires without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, I ask unanimous consent that immediately thereafter I may yield to the distinguished junior Senator from Arizona [Mr. FANNIN] for an insertion and correction of the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I would be delighted to yield to the junior Senator from Arizona [Mr. FANNIN] for that purpose now, and then be recognized for a period of time not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

CORRECTION OF THE RECORD

Mr. FANNIN. Mr. President, during the debate Friday, I inserted in the RECORD certain energy rates summarized in the Stetson study of the original Pacific Southwest water plan, prepared for the California-Colorado River Contractors. Upon reading Friday's RECORD I see that some clerical errors were made in the designation of those energy rates. At this time, for the RECORD, I would like to correct those figures. The correct figures are as follows:

Energy rates per kilowatt-hours
(Mills)

Marble-Bridge:	
On-peak	6.0
Off-peak	3.0
Hoover	4.0
Parker-Davis	4.7

The PRESIDING OFFICER. The correction will be made.

VIETNAM

Mr. MANSFIELD. Mr. President, the mission of Gen. Maxwell Taylor and Clark Clifford has been completed. They

have stated that there was unanimous agreement among our allies that now is the time for a maximum effort in Vietnam. They both have indicated that our allies are in full accord on a continuation—if not a further step-up—of the bombing of North Vietnam. Whether or not they sought additional allied troops is not known, but on this point, it appears the reaction of our allies was negative. There was also some vague reference to a possible summit meeting but there again, nothing positive was forthcoming.

It is of relevance to note that during this past week the President stated in his tax message that in addition to recommending a 10-percent surcharge tax on individuals and corporations he would also send 45,000 men to Vietnam to increase our strength there to approximately 525,000. It was also announced that the battleship *New Jersey* would be taken out of mothballs and prepared for duty in the Far East at a cost of approximately \$30 million.

All these factors indicate a further escalation with the costs in lives and money being borne preponderantly by us. They also indicate that a longer duration of the war is in the offing and that the prospects for peace may well have diminished accordingly. While this would be a valid assumption on the surface, I would hope that in the meantime, instead of continued intensification of the war, we would follow through on the Cooper formula to interdict the supply lines of North Vietnam at the 17th parallel—which incidentally would be in accord with a statement attributed to General Taylor to the effect that the supply lines from the north into South Vietnam "should be interdicted to the best of our ability."

Furthermore, I believe that construction of the defensive barrier at the southern end of the DMZ should be stepped up as much as possible to the end that the thinned-out marines in the 1st Corps area would be given this type of assistance at the earliest practical date.

Finally, I believe that the U.S. resolution which has been sitting "on its bottom" in the United Nations Security Council since late January 1966, should be resurrected by the United States on its own initiative—I wish to repeat: The U.S. resolution should be resurrected by the United States on its own initiative—and taken up by that body as expeditiously as possible now that the most intensive part of the crisis in the Middle East—which the Security Council faced up to—has now passed.

The accentuation should not be on further escalation in which the enemy can match and outmatch us but on concentration and consolidation in South Vietnam through the first two of the three point formula listed above and by taking the third part of that formula to the United Nations immediately.

In a more general vein, I would point out that the United Nations was established "to save succeeding generations from the scourge of war." Its primary purpose is to maintain international peace and security. Yet in Vietnam, where events are pushing the conflict to-

wards another world war, the United Nations is conspicuously absent. The Secretary-General has made vigorous personal diplomatic efforts to bring about negotiations for peace. The Security Council at one point was asked by the United States to look at the matter but, for various reasons, apparently did not look at the time. The potential of the United Nations to contribute to peace in Vietnam, in short, has not even been explored, much less utilized.

To bring the United Nations into Vietnam, by taking up Vietnam in the Security Council, is as essential for the future of the United Nations as it is for us, the Vietnamese people and world peace. A realistic appraisal of the U.N. prevents us from expecting the Security Council to produce some miraculous solution overnight. It ought not prevent us, however, from expecting the Council at least to confront the issue of Vietnam squarely and to make a real effort to contribute to its solution.

In 22 years of existence the United Nations has expanded from 51 to 122 members and its regular budget has gone from \$19.3 to \$116.7 million. The success of the United Nations, however, will not be measured by the number of members, much less by the amount of money that is spent. As with the League of Nations, it will stand or fall by the contribution it makes to world peace. As with the League, the U.N. will fall if peace falls.

Even a continued reticence to attempt to cope with the Vietnamese conflict through the organization can only lead to a decline in its real strength and significance. In that respect, the U.N. will grow weaker and weaker even if it grows larger and larger.

So I would urge again that, as a minimum, the procedural machinery of the Security Council be utilized to its fullest. Under this machinery, the Security Council could invite all belligerents, direct and indirect, including China and North Vietnam as well as South Vietnam and the National Liberation Front, to participate in an open discussion of the conflict and ways and means of ending it. If negotiations for peace could come under the direct auspices of the United Nations, or, more probably, at its instigation, they could be conducted in the Geneva Conferences or in some other suitable forum. An initiative of this kind might help the United Nations regain the confidence which tends to drain away with every day that the organization remains aloof from the Vietnamese conflict. There is nothing to lose and much to gain if the United Nations moves now on Vietnam.

Mr. COOPER. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Kentucky for 3 minutes, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COOPER. Mr. President, the distinguished majority leader, and a great leader of our country, has spoken today, as he has spoken many times in past years, asking that our Government fol-

low a rational course in dealing with the war in Vietnam. The Senator from Montana speaks sensibly. I hope very much that our Government will listen to him.

As I have in the past, I support his call that the question of Vietnam be submitted to the Security Council of the United Nations and submitted by our country without any reservations whatsoever.

We have witnessed a decline in the strength and influence of the United Nations in past years, but its recent action in dealing with the Middle East crisis gave some hope of its ability to deal with war. The Security Council finally did come to an agreement for a cease-fire and it is again considering means by which the basic problems of that region may be solved.

I do not see why our country would not take the course of submission to the United Nations, take it fully and without reservations, as the majority leader has asked that it be done.

I, too, have noted with concern implications of the report of General Taylor and Mr. Clark Clifford and the announcement that additional troops will be needed in South Vietnam immediately. It may be militarily necessary, in order to protect the security of our troops, to deploy additional troops. What gives concern is that this procedure may be repeated again and again with more troops, increased bombing, and ever mounting escalation; and, of course, that means it is believed the war will go on and on.

As I have in the past, I urge again that before this process commences again, before it is accepted by our Government and expansion of the war is required, that it take the step I have proposed; namely, that it stop unconditionally the bombing of North Vietnam, and bomb at those points where infiltration routes enter South Vietnam, to determine if negotiations are possible. I support also the step which the distinguished majority leader has urged, to strengthen by cleaning the DMZ to give greater protection to our troops.

I believe that an unconditional end to the bombing would be an incentive for the United Nations to take the subject of Vietnam under consideration. It would demonstrate that the United States means what it says about seeking honorable and just settlement of the war.

The distinguished majority leader never speaks as an obstructionist. He always speaks constructively. He offers again to our Government, to the President, and to the Congress a way which can be tested to see if this war can be ended, and ended honorably.

The consequences of its continuation are known to all of us, in relation to all the problems we are facing in this country and in the world.

I hope with all my heart that the proposal offered by the distinguished majority leader will be accepted by our Government.

Mr. MANSFIELD. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I am happy to yield to the Senator from Montana.

Mr. MANSFIELD. I want to thank the distinguished Senator from Kentucky for his comments. I know of no one in this body who is more constructive in outlook, in desiring to achieve an honorable solution to this war, and no one more worried and frustrated about its continuance than the Senator from Kentucky who, I believe, represents the views of the great majority of the Members of this body, on both sides of the aisle, as well as a great majority of the American people.

The Senator from Kentucky and I have served together for a long time, not only in the Senate but also as fellow delegates to the United Nations.

I want to express to him once again my personal appreciation for the statesmanship which he has shown not only recently but also down through the years, and for his understanding and his courage in making known the views which he feels, not only in his mind but in his heart as well.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Colorado will state it.

Mr. ALLOTT. Do I correctly understand the parliamentary situation that the pending business is S. 1004 and that, under the order previously entered, after a call of the quorum, the senior Senator from Colorado will then be recognized?

The PRESIDING OFFICER. The Senator from Colorado is correct.

Mr. ALLOTT. Mr. President, I suggest the absence of a quorum and it will be a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 205 Leg.]

Aiken	Fannin	Morton
Allott	Gruening	Moss
Anderson	Hansen	Murphy
Bartlett	Hayden	Prouty
Boggs	Hill	Ribicoff
Byrd, Va.	Jackson	Russell
Byrd, W. Va.	Jordan, N.C.	Smith
Cannon	Kuchel	Talmadge
Case	Lausche	Williams, Del.
Church	Magnuson	Yarborough
Cooper	Mansfield	Young, N. Dak.
Curtis	Metcalf	Young, Ohio
Domnick	Montoya	
Ellender	Morse	

Mr. BYRD of West Virginia. I announce that the Senator from Indiana [Mr. BAYH], the Senator from Connecticut [Mr. DODD], the Senator from Indiana [Mr. HARTKE], and the Senator from Maryland [Mr. TYDINGS] are absent on official business.

I also announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. LONG], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. MCGEE], the Senator from Rhode Island [Mr. PELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I further announce that the Senator from Rhode Island [Mr. PASTORE], is absent because of a death in the family.

Mr. KUCHEL. I announce that the Senator from Tennessee [Mr. BAKER]

and the Senator from Michigan [Mr. GRIFFIN] are necessarily absent.

The Senator from New Hampshire [Mr. COTTON] is detained on official business.

The PRESIDING OFFICER. A quorum is not present.

Mr. BYRD of West Virginia. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, the following Senators entered the Chamber and answered to their names:

Bennett	Hollings	Mundt
Bible	Hruska	Muskie
Brewster	Inouye	Nelson
Brooke	Javits	Pearson
Burdick	Jordan, Idaho	Percy
Carlson	Kennedy, Mass.	Proxmire
Clark	Kennedy, N.Y.	Randolph
Dirksen	Long, La.	Scott
Ervin	McCarthy	Sparkman
Fong	McClellan	Spong
Harris	McGovern	Symington
Hart	McIntyre	Thurmond
Hatfield	Miller	Tower
Hickenlooper	Mondale	Williams, N.J.
Holland	Monroney	

The PRESIDING OFFICER. A quorum is present.

CENTRAL ARIZONA PROJECT ACT

The Senate resumed the consideration of the bill (S. 1004) to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes.

Mr. ALLOTT. Mr. President, I believe that, without a doubt that the Colorado River is the most controversial body of water in the western hemisphere, if not in the world. Those of us who have been close to its problems have come to realize that the Colorado River may soon be the first major river in the world to have its entire water supply controlled by man and put to use in such a way that not one drop will ever again be discharged to the ocean. On any river system, water resource problems, as any other commodity in limited supply, tend to become increasingly complicated as the water resource becomes more scarce. Increasingly complex decisions are required. The Colorado River is no exception.

The Colorado River Basin is an important segment of this great Nation. Its area, which embraces parts of seven States, is rich in mineral and land resources—and in space. Its area is about one-twelfth that of the 48 contiguous United States. Due to the great imbalance that exists between the water supply and other natural resources, the people of the region have always had to face greater difficulties than in other sections of the country in bringing their resources together for the creation of wealth, homes, and the means to making a living. Those who are familiar with the great Southwest can attest to the fact that the results of their efforts are staggering. But the surface has only been scratched; if we can continue to make water available in the region at the time and in the places where it will be needed for further

constructive development of the other vast resources, past accomplishments will seem pale by comparison.

Last week the distinguished senior Senator from California [Mr. KUCHEL] in a brilliant speech outlined the salient problem of the Colorado River. During the course of that speech he discussed the steps which had led up to the present situation and the reporting of S. 1004, a bill for the benefit of Arizona. He discussed also the efforts that have been made over a period of years, even while our good friend, the junior Senator from Arizona [Mr. FANNIN], was Governor of Arizona, and when our good friend, the Senator from Wyoming [Mr. HANSEN], was the Governor of Wyoming, efforts that had gone on over a number of years, the estimated hundreds of thousands of dollars that had been spent, the innumerable meetings by members of State water boards, water authorities, water engineers, the Governors, and the attorneys general of seven States, in order to come to agreement upon the development of the Colorado River.

Mr. President, those States did come to an agreement and an understanding which was agreed to by all of the seven Governors and, as far as I know, the corresponding water authorities in each of those States. Then, last fall, theretofore unknown to many of us, we learned for the first time that there was a change. I shall read a few remarks from page 147 of the hearings which explain exactly what happened in the language of the Secretary of the Interior:

Secretary UDALL. I don't want to misstate Senator Hayden's position because he has consistently been not for what I would call the full-fledged 4.4 priority. He has favored limitations, and I should probably let him speak for himself on that, but at one point I think it is fair to say that there was complete agreement that there should be some kind of 4.4 priority.

Senator KUCHEL. In which you participated.

Secretary UDALL. I participated in that; yes.

Senator KUCHEL. I will supply my version of that for the record a little later on. You have suggested in your proposal, Mr. Secretary, a so-called prepurchase of electricity in the amount of some \$92 million, and stated to the committee that there is ample precedent I think for this. Actually is this not a new concept that you bring to this committee, in an attempt to justify the removal of the dam controversy on the river?

Secretary UDALL. There is nothing exactly like this that has been proposed, and, quite frankly, I think it is a very creative approach to the problem. It is one of the alternatives we developed last fall working with the Bureau of the Budget, and I was glad they went along with it, Senator.

I hate to see the Bureau of Reclamation, with the work I see ahead of it, get tied to one formula or locked into one set way of doing business. In many areas of the West we do not have major hydroelectric sites remaining. I think the Bureau of Reclamation ought not to be tied to one way of doing business. This is the reason I think we are setting a new policy, a new pattern.

Mr. President, apparently Secretary Udall, the Bureau of the Budget, and perhaps others interested in the project as it now stands, got together last fall at a time when the seven States thought they were locked in agreement upon the

type of bill that all seven States could support; but it is significant that it was not until February of this year that the Secretary made his announcement about the new-fangled type of reclamation which will surely wreck reclamation.

So, we heard about it for the first time and shortly after that a bill was introduced by the chairman of the Committee on Interior and Insular Affairs for the administration, and also the present bill introduced by the distinguished senior Senator from Arizona, S. 1004.

Mr. President, the other day, the distinguished senior Senator from California offered for printing a bill which essentially sets out the seven-State understanding and agreement. The seven States have been substantially in agreement on this matter for a period of approximately 2 years, prior to this year—at least that long a period of time—and the bill that he offered for printing the other day was sponsored by the brother of the Secretary of the Interior, Representative MORRIS UDALL, of Arizona.

During the course of this summer, on June 23, to be exact, the senior Senator from Colorado, together with Mr. BENNETT, Mr. DOMINICK, Mr. KUCHEL, Mr. MOSS, and Mr. MURPHY, offered an amendment to S. 1004, which is the Hayden bill, the pending bill.

Mr. President, at this time I call up my amendment, which is an amendment by way of a substitute for the entire bill.

The PRESIDING OFFICER (Mr. MONTGOMERY in the chair). The amendment in the nature of a substitute will be stated.

The legislative clerk proceeded to read the amendment.

Mr. ALLOTT. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment in the nature of a substitute will be printed in the RECORD.

The amendment (No. 214) in the nature of a substitute is as follows:

Strike out all after the enacting clause and insert:

"TITLE I—COLORADO RIVER BASIN PROJECT: OBJECTIVES

"SEC. 101. That this Act may be cited as the 'Colorado River Basin Project Act'.

"SEC. 102. The Congress recognizes that the present and growing water shortages in the Colorado River Basin constitute urgent problems of national concern, and accordingly authorizes and directs the National Water Commission and the Water Resources Council, established by the Water Resources Planning Act (Public Law 89-80), to give highest priority to the preparation of a plan and program for the relief of such shortages, in consultation with the States and Federal entities affected, as provided in this Act. This program is declared to be for the purposes, among others, of regulating the flow of the Colorado River; controlling floods; improving navigation; providing for the storage and delivery of the waters of the Colorado River for reclamation of lands, including supplemental water supplies, for municipal, industrial, and other beneficial purposes; improving water quality; providing for basic public outdoor recreation facilities; improving conditions for fish and wildlife; and the generation and sale of hydro-

electric power as an incident of the foregoing purposes.

"TITLE II—SOUTHWEST INVESTIGATIONS AND PLANNING

"SEC. 201. (a) The Council, in consultation with the Commission, acting in accordance with the procedure prescribed in section 103 of the Water Resources Planning Act, shall within one hundred and twenty days following the effective date of this Act establish principles, standards, and procedures for the program of investigations and submission of plans and reports authorized by this section and section 203. The Secretary of the Interior (hereinafter referred to as the 'Secretary'), under the direction of the Commission, in conformity with the principles, standards, and procedures so established, is authorized and directed to—

"(1) prepare estimates of the long-range water supply available for consumptive use in the Colorado River Basin, of current water requirements therein, and of the rate of growth of water requirements therein to at least the year 2030;

"(2) investigate sources and means of supplying water to meet the current and anticipated water requirements of the Colorado River Basin, including reductions in losses, importations from sources outside the natural drainage basin of the Colorado River system, desalination, weather modification, and other means;

"(3) investigate projects within the lower basin of the Colorado River, including projects on tributaries of the Colorado River, where undeveloped water supplies are available or can be made available by replacement or exchange;

"(4) undertake investigations, in cooperation with other concerned agencies, of the feasibility of proposed development plans in maintaining an adequate water quality throughout the Colorado River Basin;

"(5) investigate means of providing for prudent water conservation practices to permit maximum beneficial utilization of available water supplies in the Colorado River Basin;

"(6) investigate and prepare estimates of the long-range water supply in States and areas from which water may be imported into the Colorado River system, together with estimates of the probable ultimate requirements for water within those States and areas of origin, for all purposes, including, but not limited to, consumptive use, navigation, river regulation, power, enhancement of fishery resources, pollution control, and disposal of wastes to the ocean, and estimates of the quantities of water, if any, that will be available in excess of such requirements in the States and areas of origin for exportation to the Colorado River system; and

"(7) investigate current and anticipated water requirements of areas outside the natural drainage areas of the Colorado River system which feasibly can be served from importation facilities en route to the Colorado River system.

"(b) The Secretary is authorized and directed to prepare reconnaissance reports of a staged plan or plans for projects adequate, in his judgment, to meet the requirements reported under subsection (a) of this section, in conformity with section 202.

"(c) The plan for the first stage of works to meet the future requirements of the areas of deficiency and surplus as determined from studies performed pursuant to this section shall include, but not be limited to, import works necessary to provide two million five hundred thousand acre-feet annually for use from the main stream of the Colorado River below Lee Ferry, including satisfaction of the obligations of the Mexican Water Treaty and losses of water associated with the performance of that treaty. Plans for import works for the first stage

may also include facilities to provide water in the following additional quantities:

"(1) Up to two million acre-feet annually in the Colorado River for use in the Lower Colorado River Basin;

"(2) Up to two million acre-feet annually in the Colorado River system for use in the Upper Colorado River Basin, directly or by exchange;

"(3) Such additional quantities, not to exceed two million acre-feet annually, as the Secretary finds may be required and marketable in areas which can be served by said importation facilities en route to the Colorado River system.

"(d) The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty constitutes a national obligation. Accordingly, the States of the upper division (Colorado, New Mexico, Utah, and Wyoming) and States of the lower division (Arizona, California, and Nevada) shall be relieved from all obligations which may have been imposed upon them by article III(c) of the Colorado River compact when the President issues the proclamation specified in section 305(b) of this Act.

"(e) The Secretary shall submit annually to the Commission, the President, and the Congress reports covering progress on the investigations and reports authorized by this section.

"Sec. 202. (a) In planning works to import water into the Colorado River system from sources outside the natural drainage areas of the system, the Secretary shall make provision for adequate and equitable protection of the interests of the States and areas of origin, including (in the case of works to import water for use in the lower basin of the Colorado River) assistance from the development fund established by title IV of this Act, to the end that water supplies may be available for use therein adequate to satisfy their ultimate requirements at prices to users not adversely affected by the exportation of water to the Colorado River system.

"(b) All requirements, present or future, for water within any State lying wholly or in part within the drainage area of any river basin and from which water is exported by works planned pursuant to this Act shall have a priority of right in perpetuity to the use of the waters of that river basin, for all purposes, as against the uses of the water delivered by means of such exportation works, unless otherwise provided by interstate agreement.

"Sec. 203. (a) On or before December 31, 1970, the Secretary shall submit a proposed reconnaissance report on the first stage of the staged plan of development to the Commission and affected State and Federal agencies for their comments and recommendations which shall be submitted within six months after receipt of the report.

"(b) After receipt of the comments of the Commission, affected States, and Federal agencies on such reconnaissance report, but not later than January 1, 1972, the Secretary shall transmit the report to the President and, through the President, to the Congress. All comments received by the Secretary under the procedure specified in this section shall be included therein. The letter of transmittal and its attachments shall be printed as a House or Senate document.

"(c) The Secretary shall proceed promptly thereafter with preparation of a feasibility report on the first stage of said plan of development if he finds, on the basis of reconnaissance investigations pursuant to section 201, that a water supply surplus to the needs of the area of origin exists, benefits of the proposed first stage exceed costs, and repayment can be made in accordance with titles III and IV of this Act. Such feasibility report shall be submitted to the Commission and to the affected States and Federal agencies not later than January 1, 1973.

"(d) After receipt of the comments of the Commission and affected States and Federal agencies on such feasibility report, but not later than June 30, 1973, the Secretary shall transmit his final report to the President and, through the President, to the Congress. All comments received by the Secretary under the procedure specified in this section shall be included therein. The letter of transmittal and its attachments shall be printed as a House or Senate document.

"Sec. 204. There are hereby authorized to be appropriated such sums as are required to carry out the purposes of this title.

"TITLE III—AUTHORIZED UNITS: PROTECTION OF EXISTING USES

"Sec. 301. The Secretary shall construct, operate, and maintain the lower basin units of the Colorado River Basin project (herein referred to as the 'project'), described in sections 302, 303, 304, 305, and 306.

"Sec. 302. The main stream reservoir division shall consist of the Hualapai (formerly known as Bridge Canyon) unit, including a dam, reservoir, powerplant, transmission facilities, and appurtenant works, and the Coconino and Paria River silt-detention reservoirs: *Provided*, That (1) Hualapai Dam shall be constructed so as to impound water at a normal surface elevation of one thousand eight hundred and sixty-six feet above mean sea level, (2) fluctuations in the reservoir level shall be restricted, so far as practicable, to a regimen of ten feet, (3) this Act shall not be construed to authorize any diversion of water from Hualapai Reservoir except for incidental uses in the immediate vicinity, (4) before initiating construction of the Hualapai Dam and appurtenant hydroelectric generating facilities and transmission lines the Secretary shall certify to the United States Congress that, in his judgment, contracts or letters declaring an intent to contract in accordance with the provisions of this Act are in existence to provide revenues adequate to pay all expenses of operation and maintenance of said works incurred by the United States and to repay all reimbursable costs, including applicable interest costs, of said dam and hydroelectric generating facilities, within fifty years from the date of completion of said works, and (5) the Secretary is authorized and directed to continue to a conclusion the engineering and economic studies and negotiations with any non-Federal entities with respect to constructing and operating the hydroelectric generating and transmission facilities to be installed at or in connection with Hualapai Dam and Reservoir as a combined hydropump storage peaking plant and, not later than eighteen months from the date of enactment of this Act, report the results of such negotiations, including the terms of proposed agreements, if any, that may be reached, together with his recommendations thereon, which agreements, if any, shall not become effective until approved by Congress. The Congress hereby declares that the construction of the Hualapai Dam herein authorized is consistent with the Act of February 26, 1919 (40 Stat. 1175).

"Sec. 303. (a) As fair and reasonable payment for the permanent use by the United States of not more than twenty-five thousand acres of land designated by the Secretary as necessary for the construction, operation, and maintenance of the Hualapai unit, said land being a part of the tract set aside and reserved by the Executive order of January 4, 1883, for the use and occupancy of the Hualapai Tribe of Arizona (1 Kappler, Indian Laws and Treaties, 804), \$16,398,000 shall be transferred in the Treasury, during construction of the unit, to the credit of the Hualapai Tribe from funds appropriated from the general fund of the Treasury to the Department of the Interior, Bureau of Reclamation, for construction of the project and, when so transferred, shall draw interest at

the rate of 4 per centum per annum until expended. The funds so transferred may be expended, invested, or reinvested pursuant to plans, programs, and agreements duly adopted or entered into by the Hualapai Tribe, subject to the approval of the Secretary, in accordance with the tribal constitution and charter.

"(b) As part of the construction and operation of the Hualapai unit, the Secretary shall (1) construct a paved road, having a minimum width of twenty-eight feet, from Peach Springs, Arizona, through and along Peach Springs Canyon within the Hualapai Indian Reservation, to provide all-weather access to the Hualapai Reservoir; and (2) make available to the Hualapai Tribe up to twenty-five thousand kilowatts and up to one hundred million kilowatt-hours annually of power from the Hualapai unit at the lowest rate established by the Secretary for the sale of firm power from said unit for the use of preferential customers: *Provided*, That the tribe may resell such power only to users within the Hualapai Reservation: *Provided further*, That the Hualapai Tribal Council shall notify the Secretary in writing of the reasonable power requirements of the tribe up to the maximum herein specified, for each three-year period in advance beginning with the date upon which power from the Hualapai unit becomes available for sale. Power not so reserved may be disposed of by the Secretary for the benefit of the development fund.

"(c) Except as to such lands which the Secretary determines are required for the Hualapai Dam and Reservoir site and the construction of the operating campsite and townsite, all minerals of any kind whatsoever, including oil and gas but excluding sand and gravel and other building and construction materials, within the areas used by the United States pursuant to this section are hereby reserved to the Hualapai Tribe: *Provided*, That no permit, license, lease, or other document covering the exploration for or the extraction of such minerals shall be granted by the tribe nor shall the tribe conduct such operations for its own account, except under such conditions and with such stipulations as are necessary to protect the interests of the United States in the construction, operation, and maintenance of the Hualapai unit.

"(d) The Hualapai Tribe shall have the exclusive right, if requested in writing by the tribe, to develop the recreation potential of, and shall have the exclusive right to control access to, the reservoir shoreline adjacent to the reservation, subject to conditions established by the Secretary for use of the reservoir to protect the operation of the project. Any recreation development established by the tribe shall be consistent with the Secretary's rules and regulations to protect the overall recreation development of the project. The tribe and the members thereof shall have nonexclusive personal rights to hunt and fish on the reservoir without charge, but shall have no right to exclude others from the reservoir except as to those who seek to gain access through the Hualapai Reservation, nor the right to require payments to the tribe except for the use of tribal lands or facilities: *Provided*, That under no circumstances will the Hualapai Tribe make any charge, or extract any compensation, or in any other manner restrict the access or use of the paved road to be constructed within the Hualapai Indian Reservation pursuant to this Act. The use by the public of the water areas of the project shall be pursuant to such rules and regulations as the Secretary may prescribe.

"(e) Except as limited by the foregoing, the Hualapai Tribe shall have the right to use and occupy the area of the Hualapai unit within the Hualapai Reservation for all purposes not inconsistent with the construction, operation, and maintenance of the

project and townsite, including, but not limited to, the right to lease such lands for farming, grazing, and business purposes to members or nonmembers of the tribe and the power to dispose of all minerals as provided in paragraph (c) hereof.

"(f) Upon a determination by the Secretary that all or any part of the lands utilized by the United States pursuant to paragraph (a) of this section is no longer necessary for purposes of the project, such lands shall be restored to the Hualapai Tribe for its full use and occupancy.

"(g) No part of any expenditures made by the United States, and no reservation by or restoration to the Hualapai Tribe of the use of land under any of the provisions of this section shall be charged by the United States as an offset or counterclaim against any claim of the Hualapai Tribe against the United States other than claims arising out of the utilization of lands for the project: *Provided, however,* That the payment of moneys and other benefits as set forth herein shall constitute full, fair, and reasonable payment for the permanent use of the lands by the United States.

"(h) All funds authorized by this section to be paid or transferred to the Hualapai Tribe, and any per capita distribution derived therefrom, shall be exempt from all forms of State and Federal income taxes.

"(i) No payment shall be made or benefits conferred as set forth in this section until the provisions hereof have been accepted by the Hualapai Tribe through a resolution duly adopted by its tribal council. In the event such resolution is not adopted within six months from the effective date of this Act, and litigation thereafter is instituted regarding the use by the United States of lands within the Hualapai Reservation or payment therefor, the amounts of the payments provided herein and the other benefits set out shall not be regarded as evidencing value or as recognizing any right of the tribe to compensation.

"SEC. 304. (a) The central Arizona unit shall consist of the following principal works: (1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system shall have a capacity of two thousand five hundred cubic feet per second (A) unless the definite plan report of the Bureau of Reclamation shows that additional capacity (i) will provide an improved benefit-to-cost ratio and (ii) will enhance the ability of the central Arizona unit to divert water from the main stream to which Arizona is entitled and (B) unless the Secretary finds that the additional cost resulting from such additional capacity can be financed by funds from sources other than the funds credited to the development fund pursuant to section 403 of this Act and without charge, directly or indirectly, to water users or power customers in the States of California and Nevada; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so operated as to not prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Number 59); (4) Hooker Dam and Reservoir, which shall be constructed to an initial capacity of ninety-eight thousand acre-feet and in such a manner as to permit subsequent enlargement of the structure (to give effect to the provisions of section 304(c) and (d)); (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueduct; (8) canals, regulating facilities, powerplants, and electrical transmission facilities;

(9) related water distribution and drainage work; and (10) appurtenant works.

"(b) Unless and until otherwise provided by Congress, water from the natural drainage area of the Colorado River system diverted from the main stream below Lee Ferry for the central Arizona unit shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges, and, with the approval of the Secretary, State-administered wildlife management areas. It shall be a condition of each contract under which such water is provided under the central Arizona unit that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings, adequate in his judgment to prevent excessive conveyance losses; (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from lands located within the exterior boundaries of any Federal reclamation project or irrigation district receiving water from the central Arizona unit for any use outside such Federal reclamation project or irrigation district, unless the Secretary and the agency or organization operating and maintaining such Federal reclamation project or irrigation district shall agree or shall have previously agreed that a surplus of ground water exists and that drainage is or was required; and (4) all agricultural, municipal and industrial waste water, return flow, seepage, sewage effluent and ground water located in or flowing from contractor's service area originating or resulting from (i) waters contracted for from the central Arizona unit or (ii) waters stored or developed by any Federal reclamation project are reserved for the use and benefit of the United States as a source of supply for the service areas of the central Arizona unit or for the service area of the Federal reclamation project, as the case may be: *Provided,* That notwithstanding the provisions of clause (3) of this sentence, the agricultural, municipal and industrial waste water, return flow, seepage, sewage effluent and ground water in or from any such Federal reclamation project, may also be pumped or diverted for use and delivery by the United States elsewhere in the service area of the central Arizona unit, if not needed for use or reuse in such Federal reclamation project.

"(c) The Secretary may require as a condition in any contract under which water is provided from the central Arizona unit that the contractor agree to accept main stream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in contracts with such contractors in Arizona who also use water from the Gila River system, to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsections (e) and (f) of this section: *Provided,* That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

"(d) In times of shortage or reduction of main stream water for the central Arizona unit (if such shortages or reductions should occur), contractors which have yielded water from other sources in exchange for main stream water supplied by that unit shall have a first priority to receive main stream water, as against other contractors supplied by that unit which have not so yielded water from

other sources, but only in quantities adequate to replace the water so yielded.

"(e) In the operation of the central Arizona unit, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources, in amounts that will permit consumptive use of water in New Mexico not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until and shall continue only so long as delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversions from the Gila River, its tributaries and underground water sources. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

"(f) The Secretary shall further offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources in amounts that will permit consumptive uses of water in New Mexico not to exceed an annual average in any period of ten consecutive years of an additional thirty thousand acre-feet, including reservoir evaporation. Such further increases in consumptive use shall not begin until and shall continue only so long as works capable of importing water into the Colorado River system have been completed and water sufficiently in excess of two million eight hundred thousand acre-feet per annum is available from the main stream of the Colorado River for consumptive use in Arizona to provide water for the exchanges herein authorized and provided. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

"(g) All additional consumptive uses provided for in subsection (e) and (f) of this section shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Number 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries and underground water sources, and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

"SEC. 305. (a) Article II(B)(3) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient main stream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversions from the main stream for the central Arizona unit shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use by holders of present perfected rights, by other users in the State of California served under existing contracts with the United States by diversion works heretofore constructed and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of main stream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater

than would have been imposed in the absence of this section 305(a). Nothing herein shall be construed to alter, amend, repeal, modify, or be in conflict with the agreement required by section 4(a) of the Boulder Canyon Project Act (45 Stat. 1057) and made by the State of California by act of its legislature (ch. 16, Calif. Stats. 1929, p. 38) so far as the benefits of said agreement are conferred upon the States of Colorado, Nevada, New Mexico, Utah, and Wyoming. This section shall not affect the relative priorities, among themselves, of water users in Arizona, Nevada, and California which are senior to diversions for the central Arizona unit, or amend any provisions of said decree.

"(b) The limitation stated in paragraph (a) shall cease whenever the President shall proclaim that works have been completed and are in operation, capable in his judgment of delivering annually not less than two million five hundred thousand acre-feet of water into the main stream of the Colorado River below Lee Ferry from sources outside the natural drainage area of the Colorado River system; and that such sources are adequate, in the President's judgment, to supply such quantities without adverse effect upon the satisfaction of the foreseeable water requirements of any State from which such water is imported into the Colorado River system. Such imported water shall be made available for use in accordance with subsection (c) of this section.

"(c) To the extent that the flow of the main stream of the Colorado River is augmented by such importation in order to make sufficient water available for release, as determined by the Secretary pursuant to article II(B)(1) of the decree of the Supreme Court of the United States in *Arizona v. California* (376 U.S. 340), to satisfy annual consumptive use of two million eight hundred thousand acre-feet in Arizona, four million four hundred thousand acre-feet in California, and three hundred thousand acre-feet in Nevada, respectively, the Secretary shall make such additional water available to users of main stream water in those States at the same costs and on the same terms as would be applicable if main stream water were available for release in the quantities required to supply such consumptive use, taking into account, among other things, (1) the nonreimbursable allocation to the replenishment of the deficiencies occasioned by satisfaction of the Mexican Treaty burden provided for in section 401, and (2) such assistance as may be available from the development fund established by title IV of this Act.

"(d) Imported water made available for use in the lower basin to supply aggregate annual consumptive uses from the main stream in excess of seven million five hundred thousand acre-feet shall be offered by the Secretary for use in the States of Arizona, California, and Nevada in the proportions provided in article II(B)(2) of said decree. The Secretary shall establish prices therefor which take into account such assistance as may be available from the development fund established by title IV of this Act in excess of the demands upon that fund occasioned by the requirements stated in subsection (c) of this section. Within each State, opportunity to take such water shall first be offered to persons or entities who are water users as of the effective date of this Act, and in quantities equal to the deficiencies which would result in the total quantity available for consumptive use from the main stream in such State were only the quantity apportioned to that State by article II(B)(1) of said decree.

"(e) Imported water made available for use in the upper basin of the Colorado River, directly or by exchange, shall be offered by the Secretary for contract by water users in the States of Colorado, New Mexico, Utah, and Wyoming in the proportions, as among those

States stated in the Upper Colorado River Basin compact, and at prices which take into account such assistance as may be available from the Upper Colorado River Basin fund, in excess of the demands upon that fund occasioned by the requirements of the Colorado River Storage Project Act.

"(f) Imported water not delivered into the Colorado River system but diverted from the works constructed to import water into that system shall be made available to water users in accordance with the Federal reclamation laws.

"SEC. 306. The main stream salvage unit shall include programs for water salvage along and adjacent to the main stream of the Colorado River and for ground water recovery. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary.

"SEC. 307. The Secretary shall construct, operate, and maintain such additional works as shall from time to time be authorized by the Congress as units of the project.

"SEC. 308. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the project works authorized pursuant to this title shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213).

"SEC. 309. The Secretary shall integrate the Dixie project and southern Nevada water supply project heretofore authorized into the project herein authorized as units thereof under repayment arrangements and participation in the development fund established by title IV of this Act consistent with the provisions of this Act.

"SEC. 310. There is hereby authorized to be appropriated to carry out the purposes of this title the sum of \$1,167,000,000 based on estimated costs as of October 1963, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved.

"TITLE IV—LOWER COLORADO RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS: CONTRACTS

"SEC. 401. Upon completion of each lower basin unit of the project herein or hereafter authorized, or separate features thereof, the Secretary shall allocate the total costs of constructing said unit or features to (1) commercial power, (2) irrigation, (3) municipal and industrial water supply, (4) flood control, (5) navigation, (6) water quality control, (7) recreation, (8) fish and wildlife, (9) the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by performance of the Water Treaty of 1944 with the United Mexican States (treaty series 994), (10) the additional capacity of the system of main conduits and canals of the central Arizona unit referred to in section 304(a), item (1), in excess of two thousand five hundred cubic feet per second, and (11) any other purposes authorized under the Federal reclamation laws. Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be nonreimbursable. All funds paid or transferred to Indian tribes pursuant to this Act, including interest on such funds in the Treasury of the United States and costs of construction of the paved road, authorized in section 303(b) hereof, shall be nonreimbursable. The repayment of

costs allocated to recreation and fish and wildlife enhancement shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213): *Provided*, That all of the separable and joint costs allocated to recreation and fish and wildlife enhancement at the Dixie project, Utah, and the main stream reservoir division shall be nonreimbursable. Costs allocated to nonreimbursable purposes shall be nonreturnable under the provisions of this Act. Costs allocated to the additional capacity of the system of main conduits and canals of the central Arizona unit, referred to in section 304(a), item (1), in excess of two thousand five hundred cubic feet per second shall be recovered as directed in section 304(a).

"SEC. 402. The Secretary shall determine the repayment capability of Indian lands within, under, or served by any unit of the project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 464), and such costs as are beyond repayment capability of such lands shall be nonreimbursable.

"SEC. 403. (a) There is hereby established a separate fund in the Treasury of the United States, to be known as the Lower Colorado River Basin development fund (hereinafter called the 'development fund'), which shall remain available until expended as hereafter provided for carrying out the provisions of title III.

"(b) All appropriations made for the purpose of carrying out the aforesaid provisions of title III of this Act shall be credited to the development fund as advances from the general fund of the Treasury, and shall be available for such purpose.

"(c) There shall also be credited to the development fund—

"(1) all revenues collected in connection with the operation of facilities herein and hereafter authorized in furtherance of the purposes of this Act (except entrance, admission, and other recreation fees or charges and proceeds received from recreation concessionaires); and

"(2) all Federal revenues from the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of the said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of those projects: *Provided, however*, That the Secretary is authorized and directed to continue the in-lieu-of-taxes payments to the States of Arizona and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon project.

"(d) All revenues collected and credited to the development fund pursuant to this Act shall be available, without further appropriation, for—

"(1) defraying the costs of operation, maintenance, and replacements of, and emergency expenditures for, all facilities of the project, within such separate limitations as may be included in annual appropriation Acts;

"(2) payments, if any, as required by section 502 of this Act;

"(3) payments as required by subsection (f) of this section; and

"(4) payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 304 of this Act.

"(e) Revenues credited to the development fund shall not be available for construction of the works comprised within any unit of the project herein or hereafter

authorized except upon appropriation by the Congress.

"(f) Revenues in the development fund in excess of the amount necessary to meet the requirements of clauses (1), (2), and (4) of subsection (d) of this section shall be paid annually to the general fund of the Treasury to return—

"(1) the costs of each unit of the project or separable feature thereof, authorized pursuant to title III of this Act which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act, within a period not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law;

"(2) the costs which are allocated to recreation or fish and wildlife enhancement in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213); and

"(3) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance with the provisions of subsection (h) of this section, and interest due shall be a first charge.

"(g) To the extent that revenues remain in the development fund after making the payments required by subsections (d) and (f) of this section, they shall be available, upon appropriation by the Congress, to repay the costs incurred in connection with units hereafter authorized in providing (i) for the importation of water into the main stream of the Colorado River for use below Lee Ferry as provided in section 206(c) to the extent that such costs are in excess of the costs allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by performance of the Mexican Water Treaty as provided in section 401, and (ii) protection of States and areas of origin of such imported water as provided in section 207(a).

"(h) The interest rate applicable to those portions of the reimbursable costs of each unit of the project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such unit, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

"(i) Business-type budgets shall be submitted to the Congress annually for all operations financed by the development fund.

"Sec. 404. (a) Irrigation repayment contracts shall provide for repayment of the obligation assumed under any irrigation repayment contract with respect to any project contract unit or irrigation block over a basic period of not more than fifty years exclusive of any development periods authorized by law; contracts authorized by section 9(e) of the Reclamation Project Act of 1939 (53 Stat. 1196; 43 U.S.C. 485h(e)) may provide for delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes.

"(b) Contracts relating to municipal and industrial water supply from the project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (53 Stat. 1194); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

"Sec. 405. On January 1 of each year the Secretary shall report to the Congress, beginning with the fiscal year ending June 30, 1968, upon the status of the revenues from and the cost of constructing, operating, and maintaining the project and each unit thereof for the preceding fiscal year. The report of the Secretary shall be prepared to reflect accurately the Federal investment allocated at that time to power, to irrigation, and to other purposes, the progress of return and repayment thereon, and the estimated rate of progress, year by year, in accomplishing full repayment.

"TITLE V—UPPER COLORADO RIVER BASIN AUTHORIZATIONS AND REIMBURSEMENTS

"Sec. 501. (a) In order to provide for the construction, operation, and maintenance of the Animas-La Plata Federal reclamation project, Colorado-New Mexico; the Dolores, Dallas Creek, West Divide, and San Miguel Federal reclamation projects, Colorado, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), and to provide for the completion of planning reports on other participating projects, subsection (2) of section 1 of said Act is hereby further amended by deleting the words 'Pine River extension', and inserting in lieu thereof the words 'Animas-La Plata, Dolores, Dallas Creek, West Divide, San Miguel'. Section 2 of said Act is hereby further amended by deleting the words 'Parshall, Troublesome, Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers extension, Animas-La Plata', and inserting after the words 'Yellow Jacket' the words 'Basalt, Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomichi Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units)', and by inserting after the word 'Sublette' the words '(including the Kendall Reservoir on Green River and a diversion of water from the Green River to the North Platte River Basin in Wyoming), Uintah unit and Ute Indian unit of the central Utah, San Juan County (Utah), Price River, Grand County (Utah), Ute Indian unit extension of the central Utah, Gray Canyon, and Juniper (Utah)'. *Provided*, That the planning report for the Ute Indian unit of the central Utah participating project shall be completed on or before December 31, 1971. The amount which section 12 of said Act authorizes to be appropriated is hereby further increased by the sum of \$360,000,000 plus or minus such amounts, if any, as may be required, by reason of changes in construction costs as indicated by engineering cost indexes applicable to the type of construction involved. This additional sum shall be available solely for the construction of the projects herein authorized.

"(b) The Animas-La Plata Federal reclamation project shall be constructed and operated in substantial accordance with the engineering plans set out in the report of the Secretary transmitted to the Congress on May 4, 1966, and printed as House Document 436, Eighty-ninth Congress: *Provided*, That the

project construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

" 'ANIMAS-LA PLATA PROJECT COMPACT

"The State of Colorado and the State of New Mexico, in order to implement the operation of the Animas-La Plata Federal Reclamation Project, Colorado-New Mexico, a proposed participating project under the Colorado River Storage Project Act (70 Stat. 105), and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and have agreed upon the following articles:

" 'ARTICLE I

"A. The right to store and divert water in Colorado and New Mexico from the La Plata and Animas River systems, including return flow to the La Plata River from Animas River diversions, for uses in New Mexico under the Animas-La Plata Federal Reclamation Project shall be valid and of equal priority with those rights granted by decree of the Colorado state courts for the uses of water in Colorado for that project, providing such uses in New Mexico are within the allocation of water made to that state by articles III and XIV of the Upper Colorado River Basin Compact (63 Stat. 31).

"B. The restrictions of the last sentence of Section (a) of Article IX of the Upper Colorado River Basin Compact shall not be construed to vitiate paragraph A of this article.

" 'ARTICLE II

"This Compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States."

"(c) The Secretary shall, for the Animas-La Plata, Dolores, Dallas Creek, San Miguel, West Divide, and Seedskadee participating projects of the Colorado River storage project, establish the nonexcess irrigable acreage for which any single ownership may receive project water at one hundred and sixty acres of class 1 land or the equivalent thereof as determined by the Secretary, in other land classes.

"(d) In the diversion and storage of water for any project or any parts thereof constructed under the authority of this Act or the Colorado River Storage Project Act within and for the benefit of the State of Colorado only, the Secretary is directed to comply with the constitution and statutes of the State of Colorado relating to priority of appropriation; with State and Federal court decrees entered pursuant thereto; and with operating principles, if any, adopted by the Secretary and approved by the State of Colorado.

"(e) The words 'any western slope appropriation' contained in paragraph (i) of that section of Senate Document Numbered 80, Seventy-fifth Congress, first session, entitled 'Manner of Operation of Project Facilities and Auxiliary Features,' shall mean and refer to the appropriation heretofore made for the storage of water in Green Mountain Reservoir, a unit of the Colorado-Big Thompson Federal reclamation project, Colorado; and the Secretary is directed to act in accordance with such meaning and reference. It is the sense of Congress that this directive defines and observes the purpose of said paragraph (i), and does not in any way affect or alter any rights or obligations arising under said Senate Document Numbered 80 or under the laws of the State of Colorado.

"Sec. 502. The Upper Colorado River Basin fund established under section 5 of the Act of April 11, 1956 (70 Stat. 107), shall be reimbursed from the Colorado River development fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 755), for all expenditures heretofore or

hereafter made from the Upper Colorado River Basin fund to meet deficiencies in generation at Hoover Dam during the filling period of reservoirs of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose \$500,000 for each year of operation of Hoover Dam and powerplant, commencing with the enactment of this Act, shall be transferred from the Colorado River development fund to the Upper Colorado River Basin fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin fund from the Lower Colorado River Basin development fund, as provided in paragraph (d) of section 403.

"TITLE VI—GENERAL PROVISIONS: DEFINITIONS: CONDITIONS

"Sec. 601. (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River compact (45 Stat. 1057), the Upper Colorado River Basin compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994), the decree entered by the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774), or the Colorado River Storage Project Act (70 Stat. 105).

"(b) The Secretary is directed to—

"(1) make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1965. Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and to the Governors of each State signatory to the Colorado River compact.

"(2) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River compact.

"(c) All Federal officers and agencies are directed to comply with the applicable provisions of the this Act, and of the laws, treaty, compacts, and decree referred to in subsection (a) of this section, in the storage and release of water from all reservoirs and in the operation and maintenance of all facilities in the Colorado River system under the jurisdiction and supervision of the Secretary, and in the operation and maintenance of all works which may be authorized hereafter for construction for the importation of water into the Colorado River system. In the event of failure of any such officer or agency to so comply, any affected State may maintain an action to enforce the provisions of this section in the Supreme Court of the United States and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

"(d) Nothing in this Act shall be construed to expand or diminish either Federal or State jurisdiction, responsibility, or rights in the field of water resources planning, development, or control; nor to displace, supersede, limit, or modify any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States, or of two or more States and the Federal Government; nor to

limit the authority of Congress to authorize and fund projects.

"Sec. 602. (a) The Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of this Act, the Colorado River Storage Project Act, the Boulder Canyon Project Act, and the Boulder Canyon Project Adjustment Act. To effect in part the purposes expressed in this paragraph, the criteria shall make provision for the storage of water in storage units of the Colorado River storage project and releases of water from Lake Powell in the following listed order of priority:

"(1) Releases to supply one-half the deficiency described in article III(c) of the Colorado River compact, if any such deficiency exists and is chargeable to the States of the upper division, but in any event such releases, if any, shall terminate when the President issues the proclamation specified in section 305(b) of this Act.

"(2) Releases to comply with article III(d) of the Colorado River compact, less such quantities of water delivered into the Colorado River below Lee Ferry to the credit of the States of the upper division from sources outside the natural drainage area of the Colorado River system.

"(3) Storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three lower division States and taking into consideration all relevant factors (including, but not limited to, historic stream-flows, the most critical period of record, and probabilities of water supply), shall find to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the lower division to the uses specified in article III(e) of the Colorado River compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

"(b) Not later than July 1, 1968, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the Governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than January 1, 1969, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1970, and yearly thereafter, the Secretary shall transmit to the Congress and to the Governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the Governors of the seven Colorado River Basin States and appropriate consultation with such State representatives as each Governor may designate.

"(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

"Sec. 603. (a) Rights of the upper basin to the consumptive use of water apportioned

to that basin from the Colorado River system by the Colorado River compact shall not be reduced or prejudiced by any use of such water in the lower basin.

"(b) Nothing in this Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission.

"Sec. 604. Except as otherwise provided in this Act, in constructing, operating, and maintaining the units of the project herein and hereafter authorized, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388 and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

"Sec. 605. (a) All terms used in this Act which are defined in the Colorado River compact shall have the meanings there defined.

"(b) 'Main stream' means the main stream of the Colorado River downstream from Lee Ferry within the United States, including the reservoirs thereon.

"(c) 'User' or 'water user' in relation to main stream water in the lower basin means the United States, or any person or legal entity, entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (375 U.S. 340), to use main stream water when available thereunder.

"(d) 'Active storage' means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works.

"(e) 'Colorado River Basin States' means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming."

Amend the title so as to read: "A bill to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes."

Mr. ALLOTT. Mr. President, this measure is offered instead of the Morris Udall bill, which the distinguished Senator from California introduced the other day, for the simple reason that this bill contains certain technical amendments and the Senators who have sponsored it deem it to be a better overall bill than the other measure, although in essential points both the bill offered by the distinguished senior Senator from California and this proposal contain all of the essential elements of the agreement that seven States made, agreed upon, and worked their hearts out to accomplish. Mr. President, the amendment which I have offered would simply refine certain of the points.

It is because of my abiding faith in the future of the West, providing that sufficient water can be made available, that I have consistently supported water resources development. It is for this reason that I find my present position of having to resist S. 1004 somewhat distasteful. Those who are familiar with my record with regard to reclamation and water resource development know that I would only oppose reclamation legislation when great and overriding considerations demand it. Such great and overriding considerations are present in the proposed S. 1004, as reported by the Senate Interior and Insular Affairs Committee, and these considerations demand my active opposition.

Anyone who attended the hearings on Colorado River Basin legislation could ascertain that, although I hold great sympathy for the plight of my good neighbors in Arizona and would like very

much to aid them to obtain a needed supplemental water supply project, the certainty of the adverse effects of such a project on my own State of Colorado and the upper basin States of the Colorado River, if simultaneously there is not authorized and immediately activated a suitable water importation plan.

This is one of the points which keeps me from supporting S. 1004.

I am firmly convinced that the presently deficient Colorado River water supply is soon going to be utilized to the extent that the rate of development of Colorado—in fact, of the entire seven States of the Basin—is going to be drastically retarded. For this fundamental reason I cannot support the committee version of S. 1004, which eliminates any study of an importation of water from outside sources and does not authorize the construction of Hualapai Dam as a revenue producer to aid in paying for water supply augmentation.

On behalf of Colorado's future welfare, I am particularly concerned about the water supply problems that will be created in the Colorado River Basin if S. 1004 is enacted into law, since it does not contain the basic principles of a true regional water resource solution as does my bill, S. 1242, and also amendment 214. While it is true that the existing water supply would meet the requirements of the five Colorado projects authorized by the committee bill, I cannot ignore the facts developed by recent water supply studies and the testimony of expert witnesses before congressional committees, which I will discuss in greater detail later.

Mr. President, in an effort to place a few of the problems pertaining to the proposed legislation before us in their proper perspective, I wish to review briefly a few pertinent informational details. The Colorado River has probably been the subject of more interstate compacts, interstate litigation, and interstate and intrastate disputes than any other river in history. For many years the waters of this river have been the subject of innumerable court battles within my own State of Colorado. Most of the flow of the Colorado River originates in Colorado. In fact, according to the records of the Upper Colorado River Commission, over 70 percent of the virgin flow as measured at Lee Ferry, Ariz., the point of delivery to the lower basin, is produced on the high mountains of Colorado. In spite of this apparent picture of abundance, Colorado through the medium of interstate compacts has shared large portions of her water resources with her neighbors and is now—this very minute—attempting to put to beneficial use some of the last components of water available to her under compact apportionments. This situation has been brought about by the vagaries of nature that deceived the negotiators of the Colorado River Compact into believing, when they negotiated it in 1922, that there were 18 to 20 million acre-feet of water annually available from the river instead of less than 15 million as determined by later more accurate and reliable studies.

When we objectively analyze these conditions in the light of past river history and the increasing demands for water by our downstream sister States, Colorado finds it most difficult, if not impossible, to support any further downstream water development unless certain other measures are included in the same or concurrent legislation.

The 1922 Colorado River compact apportioned the consumptive use of water of the Colorado River on a basis of 7.5 million acre-feet per year to the upper basin and 7.5 million acre-feet to the lower basin, with an additional provision of one million acre-feet of consumptive use to the lower basin. Legally, the upper basin is required to deliver 75 million acre-feet of water to the lower basin as a rolling 10-year average. While it is not technically accurate to say that the upper basin must deliver to the lower basin at Lee Ferry 7.5 million acre-feet annually, it is frequently and commonly discussed in this manner. Adding to that the Mexican Water Treaty obligation of 1.5 million acre-feet, the result is a total draft upon the river of 17.5 million acre-feet annually. Reliable hydrologic studies clearly show that that much water is simply not available.

The Tipton report, which I will discuss in more detail later, estimates the quantity of water available for the upper basin at 6.3 million acre-feet annually, taking into consideration the 7.5 million acre-feet annual delivery at Lee Ferry. Of that 6.3 million acre-feet, 700,000 acre-feet is chargeable to reservoir losses in the upper basin, leaving 5.6 million acre-feet for utilization. Upper basin water uses now total approximately 3 million acre-feet, leaving an unutilized balance in the upper basin of approximately 2.6 million acre-feet.

Arizona is reminded that the Colorado River Compact places a heavy burden upon the upper basin States by requiring the delivery of 7.5 million acre-feet per year at Lee Ferry. Despite the fact that the upper basin was apportioned 7.5 million acre-feet of consumptive use by the compact, the facts are that there is not enough water in the river to satisfy the delivery requirement to the lower basin and leave the upper basin with its full apportionment. With the virgin flow of the river, as calculated at Lee Ferry more in the neighborhood of 13.7 to 14 million acre-feet annually, the upper basin then starts off by absorbing a shortage of from 1.2 to 2 million acre-feet annually, depending upon the Mexican Water Treaty obligation.

I am citing these facts to show that Colorado and the other States of the basin have water problems as well as does Arizona. We in Colorado have the strongest sympathy for our neighbors in Arizona—else we would not have negotiated with them over the years in an attempt to arrive at a seven-State agreement—but the problems of the Colorado River Basin are not the problems of Arizona alone. They are the problems of seven States. Therefore, a single State approach—a single-shot approach to their resolution is out of the question. The approach must be regional in concept and physical scope. A single nail is

not sufficient to hold a house together. Single-phase legislation, although it may be a step forward in a long journey, will not suffice to meet the national responsibility to provide a regionwide solution to the water problems of the Pacific Southwest.

The Secretary of the Interior met the issue head on in his 1963 report entitled "Future Water Resource Development in the Lower Colorado River Basin," when he said:

The inadequacy of the Colorado River system to meet this region's continuing and rapidly growing water needs is already evident.

From personal observation of the Colorado River Basin, I can tell you that the Secretary at that time knew what he was talking about. The Secretary's further conclusion that the availability of additional Colorado River water to Arizona, "is no solution at all to the regional water problems because it merely temporarily moves the shortage from one place to another" is also valid.

In light of his earlier statements and the fact that he is a Cabinet officer charged with national responsibilities in the field of water resource development, it is beyond comprehension, it is beyond imagination, why the Secretary of the Interior suddenly suffered a blackout of foresight and reverted to a one-State approach. With a clear conscience, I could not join this about-face maneuver. The Secretary's proposal will not even cure the water problems of his own State of Arizona, because it will not supply enough additional water to replace all that is being "mined" from the ground. In fact, the Secretary's about-face on the question of a basinwide approach is best exemplified by his statement to the House Interior and Insular Affairs Committee on August 23, 1965, just about 2 years ago, on pages 168 and 169 of the House hearings on the Lower Colorado River Basin project. In answer to Mr. REINECKE's question, "Is the central Arizona project an end in itself or is it the long-range plan of the Department to incorporate other features of the original Southwest water plan in the future?" the Secretary said:

I think the important answer to that is that the main feature of the bill, to me the heart of the bill, is not the central Arizona project. The heart of the bill is the basin account and the basinwide approach which opens the door to whatever the region needs in the future. I think that this is a first phase and an import program of some kind is the obvious second phase. We now propose a vehicle with the major hydroelectric dams on the river committed to produce revenues for whatever the region needs in the future . . .

In testimony before the Senate Interior and Insular Affairs Committee on May 2, 1967, in support of legislation which completely abandons the basinwide approach, the Secretary said:

Senator Hayden's bill . . . proposes to eliminate controversy . . . (page 164 of Senate hearings).

What has been the effect of this turnaround in policy by the Secretary of the Interior? Has it eliminated controversy? In my opinion, it has not; if anything, it

has intensified controversy. The only practical effect of this sudden change in policy has been to change the participants to the controversy.

In addition, a new issue has been injected into reclamation law by the bill, S. 1004. The bill permits the Secretary to prepay \$103 million as a capital investment in the construction of a large steam powerplant.

Not a dam; a steam powerplant. So we are now putting the Government of the United States directly into the business of building, supporting, and paying the expense of operation and maintenance of a steam powerplant.

In effect, the Department would become a part owner of the steam powerplant, although naked title would reside in a group of private and public power entities. Senators should know that this is a departure from the traditional concepts of the multipurpose reclamation project. Power sales from federally owned generated capacity are anticipated almost immediately upon completion of construction. For a table showing the anticipated commercial sales of steam generated power under S. 1004, see footnote 28 on page 110 of the Senate report.

Mr. President, I ask unanimous consent that that table be inserted in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FEDERAL COMMERCIAL SALES OF STEAM GENERATED POWER UNDER S. 1004

Year	Power sold (1,000,000 kw.-hr.)	Revenue at 5 mills per kilowatt-hour (thousands)
1973	175	\$875
1974	175	875
1975	224	1,120
1976	228	1,140
1977	274	1,370
1979	320	1,600
1980	365	1,825
1981	410	2,050
1982	458	2,290
1983	504	2,520
1984	549	2,745
1985	597	2,985
1986	641	3,205
1987	687	3,435
1988	734	3,670
1989	778	3,890
1990	824	4,120
1991	855	4,275
1992	886	4,430
1993	915	4,575
1994	946	4,730
1995	976	4,880
1996	1,006	5,030
1997	1,037	5,185
1998	1,066	5,330
1999	1,097	5,485
2000	1,124	5,620
2001	1,139	5,695
2002	1,156	5,780
2003	1,171	5,855
2004	1,185	5,925
2005	1,201	6,005
2006	1,217	6,085
2007	1,232	6,160
2008	1,247	6,235
2009	1,264	6,320
2010	1,279	6,395
2011	1,294	6,470
2012	1,310	6,550
2013	1,325	6,625
2014	1,340	6,700
2015	1,356	6,780
2016	1,372	6,860
2017	1,387	6,935
2018	1,402	7,010
2019	1,418	7,090
2020	1,433	7,165
2021	1,448	7,240
2022	1,464	7,320
2023	1,480	7,400
2024	1,495	7,475
2025	1,510	7,550
Total	50,976	254,880

Mr. ALLOTT. I believe that the following colloquy between Senator KUCHEL and Secretary Udall during the May 2, 1967, Senate hearings, will help to illuminate this question:

Senator KUCHEL. Actually is this not a new concept that you bring to this committee; in an attempt to justify the removal of the dam controversy on the river?

Secretary UDALL. There is nothing exactly like this that has been proposed and, quite frankly, I think it is a very creative approach to the problem. It is one of the alternatives we developed last fall working with the Bureau of the Budget, and I was glad they went along with it, Senator.

I hate to see the Bureau of Reclamation, with the work I see ahead of it, get tied to one formula or locked into one set way of doing business. In many areas of the West we do not have major hydroelectric sites remaining. I think the Bureau of Reclamation ought not to be tied to one way of doing business. This is the reason I think we are setting a new policy, a new pattern. . . . (page 147 of Senate hearings).

I must interpolate here to say that the statement he makes about not many hydroelectric sites remaining in the West is perfectly true. It is all too true. But by his action in that conference—a secret conference, I suppose—with the Bureau of the Budget last fall, which certainly none of the other States of the basin knew about—I do not know whether Arizona knew about it; none of the other States knew about it—he abandoned one of the last great hydroelectric sites on the Colorado River, and that is the Hualapai Dam site.

So we find that a “new policy” or a “new pattern” is being set by this legislation that has not been considered or passed upon by the Congress. The Congress has not had an opportunity to explore the ramifications of this “new policy” and where it will lead us. However, I can report to the Senate that the American Public Power Association has taken a position in opposition to the Secretary’s prepayment proposal with regard to the coal-fired steam plant. In a letter to me, dated June 5, 1967, the American Public Power Association’s position on the prepayment plan of the Secretary’s was set forth as follows:

He has termed this plan “non-controversial”; however, a pre-payment plan constituting a purchase of power represents a major step away from Federal multiple-purpose water resource development policies and programs approved by Congress in the past and eliminates entirely the concept of hydroelectric power as a “paying partner” for reclamation.

Mr. President, I ask unanimous consent that the complete text of the letter and memorandum be inserted in the RECORD at this point.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

AMERICAN PUBLIC POWER ASSOCIATION,
Washington, D.C., June 5, 1967.
Hon. GORDON ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLOTT: The American Public Power Association is a national trade organization representing more than 1,400 local publicly owned electric utilities, mainly municipal systems, in 45 States, Puerto Rico, and the Virgin Islands.

On May 11, 1967, at the APPA 24th annual conference held in Denver, the Association’s

membership adopted the attached resolution endorsing Federal construction of Hualapai Dam on the Colorado River and investigation of a proposed 5 million kilowatt pumped storage project at this site. The resolution opposes the principle proposed by the Secretary of the Interior in S. 1013 which would substitute a plan calling for pre-payment to utilities for steam power in place of Federal construction of the hydroelectric plant at the Hualapai Dam site. In addition, the resolution reaffirms the Association’s support of a National Water Commission.

Because our resolution was adopted after the close of hearings conducted by your Committee on S. 1013, it was of course not possible for us to submit our views at the hearings. We are therefore taking this means of transmitting our resolution to you and the other members of your committee, and would also like to elaborate somewhat on the position taken in our resolution.

In February, 1967, Secretary Udall announced his proposal by which the Federal government would re-pay for 400 megawatts of power from a non-federal thermal plant to obtain pumping power for the Central Arizona Project. [He has termed this plan “non-controversial”; however, a re-payment plan constituting a purchase of power represents a major step away from Federal multiple-purpose water resources development policies and programs approved by Congress in the past and eliminates entirely the concept of hydroelectric power as a “paying partner” for reclamation.]

The Colorado River is the life-blood of many thousands of people throughout the Colorado River Basin. Taken together, existing and planned dams on the Colorado constitute a system for conserving and utilizing water resources for the entire Pacific Southwest. They provide power, flood control, water storage, stream flow control and distribution of water for irrigation, municipal and industrial uses, silt control, recreation, and fish and wildlife conservation. The components of the basin system do not all provide the same services or to the same degree; indeed, they are not designed to do so. On the contrary, they supplement and complement each other.

Hualapai Dam would constitute a new part of the system. It would provide power, water storage, and silt control. Its power plant would be integrated with other regional generating plants, both hydraulically and electrically.

An essential component of Hualapai Dam is the power generating capability of this project which could provide substantial revenues—not only for repaying the reimbursable costs of the dam, but also for a development fund financing facilities to make maximum use of existing water in the region. Under the Administration proposal, however, the Government would share in the cost of the power plant without benefit of ownership or the revenues that would accrue from Government construction of the dam.

An innovating approach to Hualapai Dam, made possible by technological advances, was proposed by Floyd Goss, Chief Electrical Engineer and Assistant Manager of the Los Angeles Department of Water and Power, earlier this year. By use of reversible pump turbines, a 5 million kilowatt peaking pumped-storage project could be constructed at the Hualapai site. The Los Angeles analysis of this proposal indicates its feasibility and its economic benefits.

Growing demand for electricity in the Southwest, plus the necessary increased use of thermal plants, insures the marketability of this peaking power. In the years 1970 to 1980, an additional six to nine million kilowatts of peaking power will be required in the states surrounding the Hualapai site, and by 1990 the regional need for peaking power will reach approximately 19 million kilowatts. These states are interconnected

with other states, which will also provide a market area for this power.

While power available from the development of the Hualapai site will serve Arizona, Southern California, and Southern Nevada directly, its influence will extend broadly over the area referred to as Region VIII by the Federal Power Commission, which encompasses most of Arizona, Nevada and California.

Region VIII is in the midst of a tremendous population explosion. Southern California is expected to have 30 million people by the year 2000. The Phoenix metropolitan area is expected to reach 2.5 million by the year 2000.

FPC projections indicate that overall per-capita energy demand will grow in a spectacular fashion. In Southern California and Central Nevada, the per-capita demand will increase from the current average of 4200 kwh per annum to over 10,000 by 1990; in Arizona, the per-capita demand will increase from 8300 kwh per annum to 14,200. In Region VIII from 1965 to 1980 the total peak demand for power will increase from about 20 million KW in 1965 to 52 million KW in 1980.

In view of the historic role of Federal power in this region, and in recognition of the fact that power produced from the Lower Colorado River project will be marketed under Reclamation law, every effort should be made to insure that preference customers are given a full opportunity to share equitably in the benefits of hydro peaking capacity—directly or indirectly.

If the feasibility analysis made by Los Angeles is confirmed, the American Public Power Association endorses prompt construction of the project by the Federal government, in conjunction with the traditional preference clause for marketing the output of the project. We believe that a potential asset of 5 million kilowatts of capacity, and 5 billion kilowatt-hours of energy, available to preference customers, is too important a resource to forgo.

The Administration has recommended deferral of authorization of Hualapai Dam because of concern over scenic considerations. We feel the project's cost-benefit ratio and the future demands for power suggest that it be made an integral part of the Lower Colorado River development now. From the standpoint of accepted tests of economic and financial feasibility, Hualapai Dam represents an exceptionally sound investment. Further, it lays an impressive financial foundation for works to develop the water supply of the Colorado River for the future. The effects of Hualapai Dam on the scenic grandeur of the Grand Canyon would be imperceptible, while access to more remote portions of the Grand Canyon would be greatly enhanced. Construction of Hualapai Dam would enable thousands of people annually to appreciate the scenic beauties of areas of the Canyon which only a handful of "river-runners" are able to view today. We feel that deferring action on this aspect of the project on the ground of destroying aesthetic values is not justified.

In 1919, when Grand Canyon National Park was created by an act of Congress, the necessity for multiple use was anticipated, requiring the balancing of water-development and park-preservation values. Accordingly, the following language was included in the Act:

"That whenever consistent with the primary purposes of said park, the Secretary of the Interior is authorized to permit the utilization of areas therein which may be necessary for the development and maintenance of a Government Reclamation project. . . ."

In the debate in the House at that time, Arizona's Senator Carl Hayden, then a Representative, expounded the purpose of this amendment as follows:

"The provision contained in the bill would authorize the Secretary of the Interior, when consistent with the primary purposes of the Park—that is, not to impair the scenic beauty—to allow storage reservoirs to be constructed for conserving the water of the Colorado River for irrigation purposes."

Furthermore, as Hualapai Dam (formerly called Bridge Canyon Dam) relates to Grand Canyon National Monument, which was established with its present boundaries by Presidential proclamation on December 22, 1932, there is the following letter of January 11, 1933, from Horace M. Albright, then Director of the National Park Service, to Dr. Elwood Mead, then Commissioner of Reclamation:

"As I see it, the Bridge Canyon Project is in no way affected by the Grand Canyon National Monument proclamation. . . . We have had in mind all the time, the Bridge Canyon project. While I did not handle this personally, I am absolutely certain that the men who did handle it for me kept the project in mind in formulating the Grand Canyon National Monument plan."

Thus, we have this evidence of long range recognition, extending back to the days when the National Park and Monument were created, that ultimately there would be a Reclamation project that would affect the Park and Monument.

Although Hualapai Dam would not invade the Grand Canyon National Park, it has been claimed that if reclamation projects are constructed within national parks, a dangerous precedent may be established which will threaten the unaltered appearance of all our National Parks. This argument is misleading. There are at least four precedents, that I am aware of, for combining reclamation projects and national parks.

1. Jackson Lake Dam is within Grand Teton National Park. It stores water for the Minidoka Reclamation Project, providing irrigation for 1,162,000 acres of land in Southern Idaho. Although the Park was created after the dam was built, this is recognition by Congress that a reclamation project may complement a national park.

2. The reclamation reservoir behind Shermans Dam is almost entirely within Glacier National Park. In this instance the park was created first. The Milk River Project which it serves provides irrigation for 120,000 acres around Havre, Montana.

3. The Lower Two Medicine Dam also is in Glacier National Park. This is a Bureau of Indian Affairs operation for the benefit of the Black Feet Tribe. While it was washed out last year, it is now being rebuilt by the Bureau of Reclamation.

4. Fontana Lake forms the boundary for miles of Great Smoky Mountains National Park and provides 248 miles of shoreline. It was built by TVA for power generation and flood control.

No one has asserted that Grand Teton, Glacier, or Great Smoky Mountains are less majestic because of these dams. To the contrary, an argument can be made that their beauty and usefulness have been greatly enhanced.

Some contend that Hualapai Dam would "flood" the Grand Canyon. If a dam could be built big enough to flood the Grand Canyon, the stored water would solve the water problems of the Pacific Southwest for centuries. Nobody advocates this solution to the water problem.

The fact is that after the Hualapai Dam reservoir is constructed, over 99 percent of the park will remain in its natural condition. The Colorado River forms the northwest boundary for the Grand Canyon National Park and serves as the southern boundary for most of the Grand Canyon National Monument. Hualapai Dam would back water up the Colorado for 93.8 miles, and the last 13 miles at the head of the reservoir would form the park boundary. Hence, the water impounded by Hualapai Dam would not back

up "into" the park or "throughout" the monument. Nor can it be considered to "flood" this area. For instance, the normal level of the river at the extreme northwest boundary of the park with Hualapai Dam would be raised by only 90 feet, and this added depth would decrease to nothing 13 miles upstream. The canyon wall of the inner gorge at this point is 1200 to 1500 feet above the river bed. Furthermore, this stretch of river is inaccessible by normal means and cannot be seen from any viewpoint on the canyon rim within the park. A stretch of 104 miles of natural river will remain between the headwaters of Hualapai Dam and the Marble Canyon Dam site. This 104 miles of natural river will include about 91 miles within the boundaries of Grand Canyon National Park. The same matchless and unaltered view will be available from the North or South rims. The same mule-back trips or long arduous foot descent and climb will be possible and in no way deteriorated or impaired.

The National Park Service has reported that from 1955 to 1963, 1,300 persons made the boat trip through the Grand Canyon and viewed the area where Hualapai Dam reservoir would be if the project were constructed. Accessibility to this part of the river would be increased. The National Park Service estimates that hundreds of thousands of people would be able to visit the area annually. The beauty of the Hualapai Dam reservoir would be comparable to that of Lake Powell and Flaming Gorge. Making this area accessible to interested persons is certainly consistent with the National Park program. Creating a lake with the beauties of Flaming Gorge and Lake Powell is certainly not inconsistent with the objectives of the National Park program.

Intrinsic to the APPA resolution endorsing development of the Hualapai site is the creation of a separate National Water Commission as approved this year by the Senate. Independent of any government agency, this commission would be able to make an objective study of water resources and needs of the nation, and to formulate recommendations for meeting projected water needs. Without a specified importation proposal, development of Hualapai Dam proposes no threat to the present water supply of any region of the country. Water needs and methods of meeting these needs would be entirely within the jurisdiction of the National Water Commission, which could consider, among other matters, means for further supplementing the water supply of the Southwest.

APPA urges that the Senate Interior Committee support Federal development of the Hualapai site, and encourage immediate studies by the Department of the Interior of the feasibility of the Goss plan to insure maximum utilization of this reach of the Lower Colorado River.

Sincerely,

ALEX RADIN.

ENDORSEMENT OF MAXIMUM DEVELOPMENT OF HUALAPAI DAM SITE

The American Public Power Association approves and endorses the maximum development of the nation's hydroelectric sites as sources for electric power to satisfy the needs of public agencies. The Association opposes the principle proposed by the Secretary of the Interior in S. 1013 which would substitute a plan calling for pre-payment to utilities for steam power in place of federal construction of the badly needed hydroelectric plant at the Hualapai Dam site on the Colorado River.

The American Public Power Association reaffirms its endorsement of the federal construction of the Hualapai Dam to such height and with such installed capacity as will effect the maximum economic development of the power resource at this site, subject to the preference rights of public agencies under applicable federal statutes. It

recommends the immediate investigation of the pumped-storage plan for the Hualapai power plant with a capacity of approximately 5 million kilowatts, proposed by the Los Angeles Department of Water and Power, and, if the City's analysis is confirmed, recommends the adoption of that plan in the federal construction of the Hualapai Dam and power plant.

The Association reaffirms its recommendation that associated water resource studies proposed be conducted, as expeditiously as feasible, under the direction and control of a National Water Commission composed of citizens outside of federal government service, as proposed in Senator Jackson's bill, S. 20, 90th Congress.

Mr. ALLOTT. Mr. President, I believe it is most important that Senators recognize that affirmative action on the part of the Congress with respect to this legislation, as it has been reported by the committee, will be interpreted by the Department of the Interior as approval of its entry into the coal-fired steam generation business. Perhaps that is the will of the Senate and perhaps it is not, but I think there is little question on how it will be interpreted. So we will have a grand change in the policy and pattern by executive fiat in the Secretary's Office.

Later, in the same colloquy with Senator KUCHEL, Secretary Udall said:

The Federal Government would not own a single portion of a steamplant. It would not operate a steamplant. It would be a purchaser of power— . . . (Pages 147 and 148 of Senate hearings.)

I should like to point out that an amendment was offered in committee by Senator KUCHEL and myself, to authorize the Secretary to purchase such power as was needed for pumping purposes. This amendment was defeated by a vote of 12 to 4.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Strike section 2(b) and insert: "The Secretary may enter into an agreement with non-Federal interests whereby the United States shall purchase from time to time such electrical power as he determines is required in connection with the central Arizona project."

Mr. ALLOTT. Mr. President, so we find that the Department of the Interior, through its prepayment proposal, is attempting to do something indirectly which it may not be able to achieve directly. To say that the Federal Government will simply be a "purchaser of power" is to ignore the facts and place an erroneous interpretation on the effects of the bill. As we said in our minority views on S. 1004:

Although bare "title" to the Federal portion of the steamplant, having a generating capacity of 470 megawatts, will remain with the three participating non-Federal agencies, the Secretary will assemble a cluster of rights and privileges which, when taken together, will bear no definition short of "Federal ownership." . . . (page 111 of Senate Report 408).

I repeat, S. 1004 does not eliminate controversy; it intensifies it. The only controversy "eliminated" is the construction of the Hualapai Dam, and it is not

"eliminated"; it is merely set aside for the time being, until some very indefinite time in the future.

The more serious controversy raised by this legislation is the controversy between Arizona and the upper basin.

A colloquy appearing on page 133 of the 1965 hearings before the House Committee on Interior and Insular Affairs on H.R. 4671 is particularly pertinent:

Mr. WYATT. Would we be talking about this project here today without the prospects of augmentation of the Lower Colorado River system?

Secretary UDALL. I think the answer to that is yes.

Mr. ASPINALL. Will the gentleman yield?

Mr. WYATT. Yes.

Mr. ASPINALL. Only at the expense and with the use of the Upper Colorado Basin entitlement under the Colorado River Compact.

Secretary UDALL. During the period in which—

Mr. ASPINALL. I don't care whether it is during that period or whether it lasts forever. That is the only way it can be done, because there is a shortage in the Lower Basin at the present time, if we consider only water to which the Lower Basin is entitled.

Secretary UDALL. I am proceeding on the major assumption of the 7.5 million acre-feet delivery and the contemplation of the assumption with regard to build-up in the Upper Basin depletion.

Mr. ASPINALL. But the fact is without that water which the Upper Basin is not using this project could not be here before Congress.

Mr. DOMINY. I agree.

For the information of those who have not read the record of the hearings, Mr. Dominy is, of course, the Commissioner of Reclamation.

It is patently clear the central Arizona project is predicated upon the use of water apportioned to the upper basin, but which is presently unused. If the development of the upper basin exceeded the gloomy and, in my opinion, unrealistic projections of the Department of the Interior, the question then becomes: "Is the central Arizona project feasible?" The upper basin States are not deluded; they know that without augmentation the feasibility of the central Arizona project depends upon a retarded development of the upper basin, a development that has already been retarded for too long. Forty-five years after the signing of the Colorado River compact, here we are, still awaiting the development of the major portion of our water, water from which we supply the major portion—70 percent—to the lower basin.

The upper basin States are anxious to develop their lawful and rightful share of the waters of the Colorado River—which we can put to use—and Congress acknowledged this right and encouraged its fruition when in 1956 it passed the Colorado River Storage Project Act. In section 1 the Congress proclaimed the purposes of that act were, among other things, "making it possible for the States of the upper basin to utilize consistently with the provisions of the Colorado River compact, the apportionments made to and among them in the Colorado River compact and the Upper Colorado River Basin compact, respectively."

Now comes S. 1004, authorizing the central Arizona project, which is admit-

tedly predicated upon the use of water apportioned to the Upper Colorado River Basin for its feasibility. Does it make sense for Congress to enact legislation whose purpose is to make it possible for the upper basin States to beneficially utilize the water apportioned to them, and then in a later Congress enact legislation that would authorize a project whose feasibility is based upon the upper basin States not putting their water to beneficial use at an early date? The achievement of one requires the thwarting of the other. It was with this knowledge that legislation was hammered out during the 89th Congress which would have permitted the continued development of all of the States of the Colorado River Basin. This legislation was reintroduced in the 90th Congress with some modifications. All of these bills—S. 861, S. 1242, S. 1409, and H.R. 3300—contain the essential basinwide approach necessary to appropriately deal with the water shortage problem.

I wish to emphasize again that I am not opposed to the authorization of the central Arizona project per se, providing other essential legislative features are included. I am opposed to the enactment of S. 1004, the committee bill, in its present form because it certainly does not represent a regional approach to regional problems.

For at least 50 years the water resources of the Colorado River Basin have been the subject of controversy. The available supplies are severely limited in relation to other natural resources in the seven basin States. Water needs are continuing to expand. The imbalance has become more acute during the past 20 years as a result of increasing populations and westward migration of hundreds of thousands of people seeking new opportunities and new homes.

Mr. President, I have just procured a population projection for the Pacific Southwest region to the year 2020. This was received from the project development office of the Bureau of Reclamation and is taken from a feasibility study of the Pacific Southwest water plan. I think these figures may be of interest.

The projections are as follows:

For the State of Arizona, 9,654,000.

For southern California, 27,616,000.

For southern Nevada, 690,000.

For southwestern New Mexico, 10,000.

For southwestern Utah, 17,000.

This makes a total population of 37,987,000 projected for this area for the year 2020.

From the authorization of the first Federal water development project in the basin, the Congress has been subjected to a barrage of conflicting testimony concerning the amount of available water and the uses for which it should or should not be developed. On almost every occasion when legislation involving the Colorado River has been considered, the committee has heard testimony indicating wide differences of opinion with regard to the dependability of the water supply actually available for consumptive use. For this reason, the chairman of the House Interior and Insular Affairs Committee, when considering H.R. 4671 in the 89th Congress, demanded that the

States of the Colorado River Basin produce up-to-date water supply analyses and state their position in light of the results.

During the course of the hearings on H.R. 4671, the House Committee on Interior and Insular Affairs received testimony concerning three detailed analyses of a water supply. These analyses were prepared by engineers of the Bureau of Reclamation, by engineers of the States of Arizona, California, and Nevada, and by the engineering firm of Tipton and Kalmbach, Inc.—under the auspices of the Upper Colorado River Commission representing the States of Colorado, New Mexico, Utah, and Wyoming. The three sets of studies were based upon different assumptions as to net channel and evaporation losses, rates of future increase of upper basin stream depletion, and, in some instances, the periods of stream-flow records employed, although the studies of the Upper Colorado River Commission embrace many combinations of these factors.

The important result of these three analyses is the surprising degree of agreement with respect to the water supply remaining available for development in the basin and for the central Arizona unit, in particular. The differences in the final results of the three studies relate only to the expected time when utilization of the entire water resource of the basin will be reached.

I summarize very briefly these conclusions because they are very important.

1. BUREAU OF RECLAMATION

The Bureau concluded that through the year 1990 the central Arizona unit will have a water supply of at least 1.2 million acre-feet per year. After 1990, as the upper basin depletions increase, a water supply from the Colorado River available to the lower basin States will decrease accordingly. If a priority were granted by this legislation to California for the use of 4.4 million acre-feet annually—and the bill does provide for a 4.4 million acre-feet guarantee annually for 27 years—and to other water users in Arizona and Nevada holding similar water rights and contracts for the water, shortages would have to be absorbed by the central Arizona project. The water supply estimated by the Bureau of Reclamation for the central Arizona project indicates the availability of at least 1.2 million acre-feet in 1975, not less than 1.2 million acre-feet in the year 1990, approximately 900,000 acre-feet in the year 2000, and only 580,000 acre-feet in the year 2030.

According to the testimony of the Commissioner of Reclamation on H.R. 4671 and similar bills in the 89th Congress, by adopting a reservoir operation designed to produce the greatest average annual yield, based upon the average of the entire period 1906–65 and using part of the flood-control storage in Lake Mead for regulation, there would be available for a central Arizona project 2,142,000 acre-feet of water in 1975, diminishing to 822,000 acre-feet in the year 2030.

In the 90th Congress, testimony from the same source on H.R. 3300 and the pending Senate bills, using the same

period of water supply records, indicates that there would be available for the central Arizona project—with a 2,500-cubic-second-foot aqueduct—1,650,000 acre-feet of water in 1975; 1,255,000 in 1990; 1,026,000 in 2000; and 676,000 acre-feet in the year 2030.

Senate report No. 1330, 88th Congress, second session, on S. 1658, a bill to authorize construction of a central Arizona project says:

Based on what the Commissioner of Reclamation described as conservative estimates of runoff and optimistic estimates of the buildup of upper basin uses, it would appear that the lower basin states will have a Colorado River supply of 7.5 million acre-feet until 1975, after which, barring a return to favorable flow conditions there may be a decline below that figure. (Emphasis supplied.)

2. UPPER COLORADO RIVER COMMISSION (TIPTON & KALMBACH, INC.)

From the analysis of the Upper Colorado River Commission, it was concluded that shortage of water in the mainstream of the Colorado River to supply first, 2,800,000 acre-feet for consumptive use in Arizona; second, up to 4,400,000 acre-feet for consumptive use in California; third, 300,000 acre-feet for beneficial consumptive use in Nevada; and, fourth, 1,500,000 acre-feet of water to Mexico will amount to over 1 million acre-feet by the year 2000. The analysis also indicates that shortages could exceed 1,500,000 acre-feet by that year and could commence by the year 1991, and almost certainly would occur by the year 1995.

The estimated consumptive use by presently conceived projects could utilize by the year 2000 more water than will be physically available from the Colorado River.

The studies of Tipton and Kalmbach actually revealed that with presently existing water storage capacity, and assuming curtailment of delivery of water at Lee Ferry to an average of 7.5 million acre-feet per annum, the depletions in the States of the upper division would be limited by nature to 6.3 million acre-feet per year. The net depletion, excluding evaporation from reservoirs of the Colorado River storage project, would be 5.6 million acre-feet. Thus, due to the vagaries of nature it appears that the upper division States will be curtailed in their total water resource development to an amount about 20 percent below that apportioned to them in 1922 by the Colorado River compact.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. KUCHEL. Mr. President, I hesitate to interrupt the Senator, but I think this is a most appropriate place to ask two or three questions that should be asked.

First of all, the able senior Senator from Colorado is making a most forceful and persuasive, and very clear case against the pending legislation.

The Senator has just utilized the reports by experts in the field of water and water engineering, and he has indicated beyond all peradventure of doubt that were the pending measure enacted into law, without any studies of augmenting the supply in the river, the

States of the upper basin would suffer to an extent of 20 percent of the supply of Colorado River water which was allocated to them when the Colorado River compact was adopted. Am I not correct?

Mr. ALLOTT. If I understand the Senator's statement, I believe the percentage is even worse than was anticipated.

The Colorado River compact was signed 45 years ago, before some Members of the Senate were born. It has been a long time. People do not realize how long it has been. When the Colorado River compact was signed, it was anticipated by the men who signed it that we would have 7½ million acre-feet to use in the upper basin, at a bare minimum, because it was figured that there might be as much as 18 or 20 million acre-feet of virgin flow in the river.

So we find at this point, because of the diminishment of the flow of the river, and taking out such amounts as are absorbed by evaporation, which is 700,000 acre-feet, the best we can do, even with the passage of the Colorado River Storage Project Act, is to develop water at a level about 20 percent below what the people figured back in 1922.

Mr. KUCHEL. I join with the Senator when he expresses a very real concern, as an American citizen, for the water problems of Arizona.

I also join with him in the comment he made a few moments ago, when he said that the upper basin States know that without augmentation, "the feasibility of the central Arizona project depends upon a retarded development of the upper basin, a development that has already been retarded too long."

I ask this question of the able Senator: Is it not true that with the increase of population that surely will come to every State in the Colorado River Basin, the only means of assuring an adequate supply of water for his State, for Arizona, and for all the other Colorado River Basin States is augmenting the supply?

Mr. ALLOTT. That is unquestionably so. This is the only way in which it can be done.

I have made the statement repeatedly that the feasibility of the central Arizona project, as now constituted, can depend on only one thing—the deferred and delayed construction of the projects in Colorado, Wyoming, and Utah; because it is that water, on their own schedules, that they are going to bring down the stream, so long as it is not developed upstream, and sell in the central Arizona project, to pay off the central Arizona project. In other words, they would run our waters downstream for a period of X number of years and pay off the project.

The Senator from California is absolutely correct. A man who studies these three engineering reports can come to no conclusion other than what Congress should do in the pending measure—and this is the thrust of the amendments of the Senator from California, the Senator from Wyoming [Mr. HANSEN], other Senators, and myself—it is to consider a study of the augmentation of the water supply in the river.

We have never asked to latch onto any water in northern California or the

Northwest, or any particular place. But why should we be forced to sit here, seeing this condition coming on, knowing that the central Arizona project can only be paid for if construction in Colorado is deferred, when we are not even permitted to study the possibility of the development of an augmented supply, and when the Hualapai Dam, which would pay for such a study, is taken out of the bill?

Mr. KUCHEL. A few moments ago, the Senator from Colorado mentioned the fact that every Governor of every Colorado River Basin State, upper basin and lower basin, came into agreement with the present Secretary of the Interior on a bill introduced in the last Congress which would have provided revenues for future augmentation, and preliminary studies leading to an actual augmentation of the supply of water. I ask the Senator: Is it not true that the facts he has spelled out so clearly in his address in the Senate today form the basis on which that unanimity was obtained?

Mr. ALLOTT. I believe the facts speak for themselves. I know of no one who will deny the great and extended efforts of all the Governors and of all the officials concerned with water development in each of the seven States over a period of years, to come to an agreement upon the measure which was introduced last year, which is the substance of the bill offered by the distinguished Senator from California the other day and the substance of the present amendment by way of a substitute.

Mr. KUCHEL. Senators should understand that, and they should understand it clearly.

I look forward to listening to the further comments which the able Senator from Colorado, a leader in the fight for regional development of the water resources of the West, will make upon this occasion, and I repeat my congratulations to him. I believe that the Senator from Colorado has clearly demonstrated the complete folly of the measure now pending before the Senate.

Mr. ALLOTT. I thank the Senator for his words. May I call his attention to another fact.

It is not only the shortage of water that will cause further controversy in the Senate. If the pending measure should become law, we will never see the time when the controversy does not wage more bitterly on this subject.

For example, I should like to cite some figures of which Senators may or may not be aware. I gathered these statistics the other day.

The average appropriations for the construction of reclamation projects in the last 10 years, including fiscal year 1967, amounted to \$242,060,000. Keep that figure in mind for a moment.

If we take just the reclamation projects that are now under construction, construction planning, actually underway, and we add the Manson unit of the Chief Joseph project in Washington, which the distinguished Senator from California supported, as did I, and we add the Tualatin project of Oregon, for which the distinguished Senator from California voted, as did I—just add those two projects, which are not actually under-

way, to those actually underway—it would require in 1968, in round figures, \$238 million of appropriations.

But in 1969, it would require \$406,000,000; in 1970, it would require \$437.5 million, which is approximately double the amount which Congress has appropriated for all reclamation projects to date; in 1971, it would require \$422 million; and in 1972, it would require \$342 million, which is over \$100 million more than the average that Congress has appropriated for reclamation in the last 2 years.

Mr. President, take the figures, look at them, and see what is going to happen. If some persons think the controversy has been bitter to date, it is going to get tougher as time goes on.

In order to finance the central Arizona project under this bill we would have to have \$7 million appropriated in 1969, \$17.5 million in 1970, \$103.3 million in 1971, \$118.5 million in 1972, \$115.02 million in 1973, and then it goes down in 1974 to \$100 million.

Let us take the amount that Congress will be obliged to appropriate just to keep the presently authorized reclamation projects going, and adding only the Manson unit of Chief Joseph and the Tualatin project of Oregon, which are not financed as yet, but they are included in the figures I gave. Taking those figures and adding them to the cost of the central Arizona project, and the need for appropriation, let us see where we come out.

In 1969 Congress would have to appropriate \$413 million, which is about 80 percent more than its average appropriations over the past 10 years. In 1970 Congress would have to appropriate \$455 million; in 1971 it would have to appropriate \$525 million, which is more than twice the amount Congress usually appropriates for reclamation; and in 1972 \$461 million. It is impractical to carry these projections further because we do not know what oncoming projects there will be.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. KUCHEL. Mr. President, that is why it is so tragic to listen to the words of Secretary Udall which the able Senator from Colorado has quoted. When Secretary Udall appeared before Congress in the last session he said, as the Senator has quoted:

The heart of the bill—

And that was the bill that all States and the Federal Government agreed on—is the basin account and the basinwide approach which opens the door to whatever the region needs in the future * * * We now propose a vehicle with the major hydroelectric dams on the river committed to produce revenues for whatever the region needs in the future.

The Senator has demonstrated why that kind of approach has to come, in order to face up to the needs of tomorrow. The argument that the Senator makes is irrefutable. Whether one lives in or out of the basin there is no answer to the argument the Senator from Colorado has made. I hope and pray that Senators, one by one, will see the wisdom of the Senator's argument.

Mr. ALLOTT. I appreciate the Senator's contribution.

In addition to the shortages of water and the fact that it would be built and paid for out of upper basin water, I think the figures I just gave show irrefutably that if the central Arizona project is built it will be impossible to secure money from Congress for 20 years to build many of the other participating projects.

Mr. MOSS. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. MOSS. Mr. President, first I wish to compliment the Senator from Colorado for the excellent discussion he is conducting on the matter before the Senate and which is of such great concern to all Colorado River Basin States. In addition, it is of concern to the entire West where reclamation is the means by which we live, and it is of interest to the entire United States because, in my opinion, there are some grave questions of policy that have to be decided by the Senate.

I wish to follow that statement by asking a question of the Senator from Colorado. Is the Senator from Colorado aware of any other reclamation project or any other water project where the device has been used of prepaying for a long period in advance of funds for power for pumping purposes on any other project?

Mr. ALLOTT. I am not. In discussions before the committee, of course, the excuse has been used that we did this in our treaty with Canada. We built the dams for Canada. How we ever got any Secretary of State who was soft-minded enough to build them and pay for them I do not know.

However, we are operating here under reclamation which the Senator from Utah knows and understands as well as anyone in the Chamber. I do not know of any instance in which we had this sort of situation or where we constructed a thermal plant which is being financed by the Federal Government at \$103 million and the greatest benefit will be reaped by a power company.

Mr. MOSS. Is it not a fact that if this pattern is followed and prepayment is made, we are in effect committing the Federal Government to the use of a particular kind of energy for a period of 50 years downstream without any reasonable prediction as to whether energy produced by coal 50 years from now will be comparable to the price of energy produced by water or nuclear energy, or in any other way? Are we not locking ourselves in for 50 years?

Mr. ALLOTT. We are locking ourselves in with stupidity. The Senator dealt with this matter in his excellent address the other day.

I am sorry that I cannot recall the exact figures but for example, in one of the scientific journals over which I pore, I read that there was a breakthrough in the nuclear energy field which has just occurred recently in Pennsylvania where they are now able to operate with temperatures of 1,500 degrees and pressures of approximately 1,000 pounds. I do not want to be held to those figures.

The facts are that the advancements are so dramatic that they literally make every other nuclear powerplant in the

country nearly obsolete; every other plant has to be raised to this level before they can hope to compete. The situation cannot be more dramatically demonstrated than with this new advancement in nuclear power. What are we doing? We are locking ourselves in on a steam-plant which may be as obsolete as a dodo bird in 20 years. I do not know. Nobody knows. I suppose we will continue to develop means of extracting heat and energy from coal, the same as is done in other places. However, we may be locking ourselves in for an archaic method of production.

There is another matter in connection with steamplants. The great crying need is for peaking power. Many do not understand peakloading. A steam generator plant fired by coal, oil, or gas, cannot be put on and jerked off the line without greatly increasing operating costs, because the big cost in steam generation is the fuel costs.

We have got to maintain the steam pressure although it may be used only to a small percentage of capacity. Consequently, we cannot turn it on or off at will. But the beauty, from an operating standpoint, of the dam is that during the surge that comes at 5 o'clock, 6 o'clock, and 7 o'clock at night, for the next 4 hours and during the surge starting at 6 o'clock the next morning, when it comes on the line, people who supply the power out of their terminal plant can keep it running at a steady pace. They can put the hydroelectric plant on the line in a few minutes and take care of the peak demand. This is known as peaking power. We will get no such benefits out of this plant which Secretary Udall has dreamed up for Arizona.

Mr. MOSS. On the point the Senator is making about the use of coal for thermal power, I had a rather interesting discussion with the junior Senator from Alabama. Alabama has a great deal of coal. A great deal of TVA is located there. He made an observation that struck me rather forcefully, when we were talking about this idea of locking ourselves in for 50 years, that when they were holding hearings on TVA some years ago, and he was concerned with it, they had a scientist who testified before them then, when TVA was talking about the use of thermal power in addition to hydro power, and they were discussing the values of coal. The burden of the testimony of the scientist was that coal had such values for other chemicals, such as gasoline, coal tar, and things that could be extracted from coal, that he made the prediction that the time would come when it would be illegal to burn coal to generate heat as an energy source.

While I do not know too much about that, and I am sure the Senator does not necessarily concur, it did seem to me to illustrate how far in advance we were committing ourselves.

Supposing this event should come about. Supposing coal became so valuable for other reasons that it was no longer feasible to put it to use to burn merely as heat to generate power, but we already had a credit of 30 years or 15 years, or something like that, to run, what would

the dilemma be that we would face if we were making this prepayment on a coal-fired plant?

Mr. ALLOTT. I cannot say exactly. The Senator's State of Utah has a great reserve of coal, as does mine—also New Mexico and Wyoming. Thus, all four States have reserves of coal. The wonderful thing about coal is that it is possibly the most plentiful source of hydrocarbons known. Hydrocarbons happen to be convertible into almost every known and conceivable substance.

What worries and disturbs me most about this situation is that, having committed ourselves to the construction of a powerplant down the road, no matter what the demands may or may not be for coal, having committed ourselves to the construction of a powerplant and the use of that plant for 50 years, and the payment of maintenance and operating costs—the proportionate share that goes into the central Arizona project—we might be confronted in as little as 10 or 15 years' time with methods of electrical generation which would make the cost of such a plant completely unfeasible.

The Senator has already made this point. I think this is the main point he is concerned about, that if we go ahead with this, we are locking ourselves out from any future opportunity to take advantage of new technology.

Mr. FANNIN. Mr. President, will the Senator from Colorado yield at that point for a question?

Mr. ALLOTT. I yield.

Mr. FANNIN. The Senator realizes that a group of public and private utilities are not only building this plant, but others of a like nature, and that the plant would be built with a percentage of the amount of money paid to the group by the Federal Government, all of which will be repaid under this bill. Is it not true that this program has been predicated upon a thorough study of this program by these utilities?

Mr. ALLOTT. I cannot tell the Senator how thorough the studies are which they made. I doubt very much if anyone else on the floor of the Senate can tell me.

Mr. FANNIN. I know the Senator is quite familiar with this activity, and realizes they are building a plant both in the Senator's State as well as in the States of Arizona and New Mexico.

Mr. ALLOTT. I do not care what activity these people are concerning themselves in. What I am concerned about is the Government's prepaying \$103 million for the building of a plant. True, Arizona will benefit, but so will two private power companies and one public power entity.

Mr. FANNIN. Of course, the whole basin will benefit, but when the Senator talks about—

Mr. ALLOTT. How is Colorado going to benefit?

Mr. FANNIN. Colorado is in the bill with five projects. But I should like to say this, that when we talk about prepayment for power, I should like to refer to a memorandum of mine which discusses this particular question in more detail.

Mr. ALLOTT. Which question is the Senator talking about? The steam plant?

Mr. FANNIN. Prepayment. The Senator was talking about prepayment. He was referring to the first one, the largest one.

Mr. ALLOTT. All right.

Mr. FANNIN. While many precedents for prepayment for services or goods may exist, I would like to point out two recent examples of prepayment of power. The first and largest prepayment plan for the purchase of power is contained in the contract between the United States of America, acting by and through the Bonneville Power Administration, and the Columbia Storage Power Exchange—CSPE—with the Canadian Government. Under this plan the United States, acting through CSPE, paid the Canadian Government \$253,930,000 for prepayment of power which the United States will receive as a result of construction of three dams in Canada which will store surplus water for release at a time when the water can be used to generate power in powerplants located in the United States. The excess energy from this plant was divided between the United States and Canada, and that portion which was due the United States was prepaid by the United States. This permitted the Canadian Government to construct the three dams for water storage in Canada. CSPE is a Washington nonprofit, non-stock corporation consisting of four private utilities, 11 municipalities, 12 co-ops and 14 PUD's.

Mr. ALLOTT. Apparently the Senator was not listening to me. I was referring to the situation which I said a little while ago I think stinks.

Mr. FANNIN. The second example of prepayment is the prepayment which the Salt River project of Arizona made to Colorado-Ute in Colorado for 50,000 kilowatts of capacity from a thermal plant. The project advanced approximately \$10 million to prepay for the output from the 50,000 kilowatts during the lifetime of the plant. This money was used by Colorado-Ute in constructing a larger plant than it would have constructed with its own resources.

Mr. ALLOTT. Let me ask the Senator at that point: What is the Salt River project?

Mr. FANNIN. It is the Salt River Agricultural Improvement and Power District commonly referred to as the Salt River Power Districts. The district is a political subdivision of the State of Arizona and operates "the Salt River Federal reclamation project as the agent for the United States."

Mr. ALLOTT. It is not "United States." I make two points to the Senator. One, it is not the United States; and, second, the advance was made to Colorado-Ute, by REA. Thus, the statement I made I still stand by. So far as I know—

Mr. FANNIN. I stand by this, too.

Mr. ALLOTT. There has not been any such program as this, any development of a steam-generation plant by the Bureau of Reclamation in any of our reclamation projects.

Mr. FANNIN. The Salt River Federal reclamation project as the agent for the United States.

Mr. ALLOTT. It is not the "United States," though.

Mr. FANNIN. No, not in the Salt River project's prepurchase from the Colorado-Ute. But as agent for the United States, the Salt River project does operate the Salt River Federal reclamation project.

Mr. ALLOTT. The Colorado-Ute is not a reclamation project. It has nothing to do with the Bureau of Reclamation.

Mr. FANNIN. Salt River project's purchase of power from the Colorado-Ute project is "prepayment" which the Senator was talking about.

Mr. ALLOTT. I might say, while we are on that point, since the Senator seems to be so proud of that little situation, that case—that loan—was made by the Salt River and the REA. It went to the Supreme Court, and the Supreme Court of the United States found it illegal. Thus, if the Senator wishes to point to that—

Mr. FANNIN. It is in operation today.

Mr. ALLOTT. Let me get this straight—a technicality here—I refer to the Supreme Court of Colorado which said it was illegal and then the Supreme Court of the United States refused to overturn it. So that is the way it stands.

It has caused us a great deal of difficulty. It is operating, yes; because it was on the line before the final decision, but we do not know what is to become of it.

Mr. FANNIN. Mr. President, will the Senator yield for another question?

Mr. ALLOTT. I yield.

Mr. FANNIN. When the Senator refers to what is involved in reclamation in the next few years, I think he realizes that in 1969 the appropriations required by this bill would be a little less than \$7 million, and \$17 million in 1970. Then in 1971, 1972, and 1973 larger amounts are involved.

Mr. ALLOTT. I do not want to quibble, but is not the Senator quoting the figures I quoted? Is he saying I did not quote them correctly?

Mr. FANNIN. These are the figures quoted on the floor by the Senator from Utah, and perhaps by the Senator from Colorado.

Mr. ALLOTT. I have not misquoted those figures; have I?

Mr. FANNIN. No; but I wanted to bring them out so it would be understood that, as far as 1969 appropriations would be concerned, we are talking about less than \$7 million for this project and \$17 million for 1970.

Mr. ALLOTT. That is right, and that is what I read a little while ago on the floor. Is the Senator saying I did not read them correctly?

Mr. FANNIN. I did not say the Senator did not read them correctly.

LOWER BASIN

Mr. ALLOTT. Let us get back to the lower basin study.

An independent and different approach to the water supply problems of the Colorado River was presented in a joint report to the House Subcommittee on Irrigation and Reclamation in August 1965 by engineers representing the States of California, Arizona, and Nevada. These engineers recognized that the future water supply of a stream with such a widely fluctuating annual runoff as the Colorado River cannot be predicted with

absolute confidence. They stated that recent studies of the virgin flow of the Colorado River at Lee Ferry indicated a dependable yield of about 13.7 to 14 million acre-feet per year. Probability studies showed that there is a 50-50 chance that the future virgin flow will be 14.9 million acre-feet per year. The engineers concluded that with a water supply augmentation program pending, it would be in the national interest to construct the central Arizona project, which is the point of view expressed by my good friend from California.

They further concluded that the supply of water from the Colorado River will neither be sufficient to meet future demands, estimated to be about 18 million acre-feet per annum by the year 2000, nor to meet the apportionment of consumptive use water made by the Colorado River compact—to the upper and lower basins—and by the Mexican Water Treaty.

All the studies indicate the presence of a serious water deficiency in the lower basin of the Colorado River. They show a real crisis is being faced by Arizona, southern California, and Nevada. Furthermore, the same crisis is coming closer and closer to the upper basin with each passing year. Therefore, the fundamental issue facing the Congress involves the question of the water supply deficiency of the entire Colorado River Basin.

All of the studies indicate that any large increase in use of water in the lower basin must even now be supplied in part from water apportioned by the compact to the upper basin but which is presently unused by it.

I might say, by way of interpolation, in case anyone should wonder about the reason why it is unused, it is that we have not been able to get it developed. We have not been able to get the projects authorized or to get the feasibility reports on them or to get them financed.

As the upper basin progresses with its development, the amount of unused water will diminish until there will be no surplus upper basin water available for use in the lower basin. The supply will diminish unless augmented from other sources. In the absence of imported water, the average divertible supply for the central Arizona project will reach precariously low levels by the turn of the century.

On the basis of water supply studies available, and testimony presented at the hearings, it is apparent that the water supply of the Colorado River will neither be sufficient to meet the future requirements of the area dependent upon it, nor to meet the apportionments of consumptive use of water made by the Colorado River compact to the upper and lower basins, plus the delivery of water to Mexico, as required by the international treaty. It is only a question of time until the water requirements exceed the amount of water available. This condition will occur whether or not the central Arizona project is constructed.

Now that the bill has been stripped of provisions that would lead to a water augmentation program, we must look at the dependable yield of 13.7 to 14 million acre-feet per year rather than at

the chance of obtaining 14.9 million acre-feet per year, or the 15.06 million acre-feet per year estimated by the Bureau of Reclamation. This more conservative approach reveals that there is little water available for the central Arizona project over a long-term period.

It is important to keep in mind that the Supreme Court apportionment among the lower basin States is conditional, based upon available water supply. Arizona's apportionment is 2.8 million acre-feet per year, but only if 7.5 million acre-feet per year are available for consumptive use in the lower basin. The Bureau of Reclamation has estimated that existing Arizona projects and Indian reservation needs will consume at full development 1,230,000 acre-feet per year. This will leave a maximum of 1,570,000 acre-feet per year available for use by the central Arizona project if 7.5 million acre-feet per year is available for consumptive use in the lower basin. With a dependable yield of only 13.7 to 14 million acre-feet per year calculated at Lee Ferry, the delivery point to the lower basin, less than 7.5 million acre-feet per year will be available for consumptive use in 1977, the assumed first year of full operation of the central Arizona project. This quantity will diminish in subsequent years as the upper basin continues to use its apportioned water.

With respect to upper basin use of its apportioned water, the projections used in all the departmental calculations with regard to the central Arizona project are based upon utilization of 5.8 million acre-feet of the upper basins water, considering the 7.5 million acre-feet annual delivery to the lower basin, at the year 2030. This contemplates 63 years for the upper basin to put to beneficial use only 5.8 million acre-feet of its 7.5 million acre-feet apportionment, and anticipates a stagnated development commensurate with such a gloomy projection.

When we talk about water in the West, we are not talking about merely stagnating the development of water; we are talking about stagnating the development of the economy and of the people.

I cannot accept this dismal outlook with regard to upper basin development, particularly in light of the population pressures of today.

Such projections can only be based upon an unrealistic prognosis of the population growth of the upper basin States. The combined population of Colorado, New Mexico, Utah, and Wyoming now exceeds 4 million persons, and indications are that future growth will greatly accelerate. In addition, water needs per person are continually increasing. To forecast only a constant rate of water development over the next 60 years, which is implicit in the projection, of full use of the upper basin's remaining water by 2030, instead of contemplating accelerated water development needs, is to ignore the facts. The Department, then, is only planning for an additional development of 2.7 million acre-feet of water by the year 2030 in the upper basin. The question then is: "Why is the upper basin's development projected at a snail's pace?"

On the other hand, the Department of the Interior plans to sell 1.8 million acre-feet of water through the central Arizona project in 1975. Applying a 10-percent loss factor, over 2 million acre-feet will be diverted annually to just one project in the lower basin, a project which planned to divert water in 5 years.

It is abundantly clear that the only way that the hopes and aspirations of both the upper and lower basins can be achieved is through the augmentation of the river, and a basinwide or regional approach. Secretary Udall gave lip-service to the regional approach during the May 2, 1967, Senate hearings, when he said to Senator KUCHEL:

Senator, I am not retreating one inch from my belief that the only wise thing for the people of the Colorado River Basin is to work together on a regional basis to solve their problems.

Amendment 214 embodies a regional approach and permits the Secretary to search for new sources of water. His search is not limited to importation but is broad enough to cover almost every conceivable source of additional water. I quote section 201(a) (2) of my substitute amendment:

(2) investigate sources and means of supplying water to meet the current and anticipated water requirements of the Colorado River Basin, including reductions in losses, importations from sources outside the natural drainage basins of the Colorado River system, desalination, weather modification, and other means;

I remind the Senate that I have enthusiastically supported scientific investigation of other forms of water supply augmentation, such as desalination and weather modification. This support has been at the authorization level through the Interior and Insular Affairs Committee, and at the funding level through the Appropriations Committee. Furthermore, so long as these scientific investigations are constructive, I will continue to give them my aid.

On the other hand, because these processes are still in the investigation stage and have not been proven from an hydrologic engineering basis, nor practicable from either an economic or a legal basis, it would be imprudent to rely upon these unproven processes as a "solution" to the water problems of my State or the upper basin. While the Secretary of the Interior has "high hopes" for the potentials of these processes, I see no reason why my State, instead of the Secretary's State, should be selected as the guinea pig, awaiting the results of experimentation into physical, engineering, economic and legal problems to which the answers might or might not be able to produce more water in the quantities, at an affordable cost, at the location, and at the times when it would be needed to supply future water requirements. I cannot tie the future of my State to such a risky, and nebulous, prospective solution, when the proven method of importing water from other river basins is open for investigation and project planning.

In view of all the prevailing circumstances and implications surrounding this legislation, I cannot support it unless it incorporates the authorization of a meaningful study of water importation

and the Hualapai Dam. These two features are the pillars upon which rests the success of a regional plan for the Southwest's water future.

Other basic elements of amendment 214 are of vital importance to my State of Colorado. At this point I wish to briefly examine some additional features of the substitute amendment that are essential parts of a regional approach to the solution of the problems either present or imminent in the seven States of the Colorado River Basin.

First. Title I explains the objectives of the bill. These objectives are regionwide—not localized to one State. Congress recognizes that there are water problems in the entire basin and directs the National Water Commission and the Water Resources Planning Council to give highest priority to plans for their relief.

Second. Title II provides for planning and investigation in the Southwest. Estimates of water availability and water needs of both areas of use and areas of origin would be made. The Secretary of the Interior is directed to prepare a reconnaissance report of a staged plan of development to meet the needs defined in the investigations. The plan for the first stage should, among other things, include provision for 2.5 million acre-feet of water to meet the burden of the Mexican Water Treaty as a national obligation and make up losses of about a million acre-feet in the lower basin associated with the delivery of that water to Mexico. The Mexican Treaty obligation of 1.5 million acre-feet per year has become a bitter bone of contention as the available water in the river has been reduced by added uses every year. Colorado has insisted that uses of water from the Gila River in Arizona should be counted as part of the lower basin's apportionment.

Our position has always been consistent, since the signing of the Colorado River compact, that that is what the compact says. The lower basin States disagree and place a different interpretation upon the compact. We have considered that a clarification of this issue is necessary before any new lower basin projects are constructed in order to protect ourselves against any imposition of claims for water to fill the Mexican Treaty requirements. As negotiations with the lower basin States progressed it became apparent that the internal conditions in Arizona were such that it was impossible for her representatives to reach agreement with the upper basin concerning accounting for waters used from the Gila River. If, under an import scheme, 2.5 million acre-feet can be brought into the river this dispute will dissolve in the imported water. If even a study of such a plan is not possible, there will be another major lawsuit on the Colorado River commencing at the first occasion that terms of the Mexican Treaty are invoked by the Secretary and development in the upper basin is precluded. This is as inevitable as night following the day.

Only after reporting back to the Congress and finding that certain very stringent criteria are met can the Secre-

tary proceed beyond a reconnaissance report on an import plan. Furthermore, the strongest and broadest criteria possible are provided to protect areas of origin which also will benefit materially from any plan that may be ultimately adopted.

What are we talking about, specifically, when we talk about water augmentation? A representative of the State of California, in testifying before our committee on this bill, testified that they would be happy to have and welcome a study of the water resources of northern California, to see if there would be any water available for transportation to the Southwest.

When you consider the high economic use to which water in the Southwest will be increasingly devoted in the future, it is obvious that this water will draw a good price.

We are also talking about a look at the Columbia River Basin. We have never asked for anything but a look. We have never asked for anything but a study.

Two and one-half million acre-feet of water delivered to the lower regions of the Colorado River in the lower basin, would go a long way toward the solution of not only the Mexican Treaty problem but also the problems of the entire river. My friend, the Senator from Arizona, would then not have to worry about getting this proposal passed.

We know that below The Dalles on the Columbia River no further water is taken out. We know that 160 to 170 million acre-feet of water flow into the ocean every year, totally wasted, of no use to anyone.

So, what are we talking about? We talk about the opportunity to study the possibility of taking out 2.5 million acre-feet down on the river at a point where it flows into the ocean, wasted—about 1.5 percent of the whole flow. And the advocates of this bill have said: "No. You are not even going to have a chance to look at it. We are going to have our project for ourselves."

Maybe when the National Water Commission or some other commission, reports in 5 years, those men—who are still very nebulous—may permit us to take a look at it and study it.

When that water bill was in the Senate, before the Committee on Interior and Insular Affairs, an incident took place which adequately illustrates what the purpose is. The proponents never intended to permit a study even under the National Water Commission because at that time, although the Secretary of the Interior had testified before the Committee on Interior and Insular Affairs that the water problems of the Colorado River Basin were certainly the most prominent in the United States and the needs there were great, and that they were the most pressing of all.

Even though the Secretary of the Interior testified in that manner, the Committee on Interior and Insular Affairs turned down an amendment offered by the senior Senator from Colorado to make the Colorado River Basin study a priority item for the National Water Commission.

So we are here, to this day, denied the right to even take what would be a cup-

ful. We are denied the right even to take a look at it and study it. We are denied the right to have a feasibility study made of this project. It may turn out to be unfeasible. I do not know. But I do not know how anyone can take the position, with 170 million acre-feet of water rolling down to the ocean to waste, that another section of our country is not entitled to have at least an opportunity to study whether a few drops, literally, out of that vast river of water might be taken down into the southwestern part of the United States for the purpose of curing the ills that the Senator from Arizona complains about and the ills with which all the rest of us are afflicted.

Third. Title III would authorize construction of the Hualapai Dam about which I have already commented. It would also authorize the central Arizona project, including Hooker Dam in New Mexico. The aqueduct for the central Arizona project would be capable of transporting 2,500 cubic feet of water per second which is more than adequate to deliver the necessary supply. That has now been raised to 3,000 cubic feet of water a second, and there is no feasibility study on that at all, just some remarks off the cuff by members of the Department of Interior.

This part of the bill also includes a priority for 4.4 million acre-feet of water per year from the lower basin supply for the State of California. There is some disagreement as to whether this obligation would fall upon the upper basin in years of shortage. This is not the intention of the bill because it is strictly a matter of agreement between Arizona and California. As added insurance, however, I have included a provision to make it clear that any benefits of section 4(a) of the Boulder Canyon Project Act that the other States now possess shall not be disturbed in any way by the priority for 4.4 million acre-feet granted by Arizona to California under the terms of the bill.

Under this title the Dixie project in the State of Utah would be integrated into the lower basin development fund.

Mr. MOSS. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield.

Mr. MOSS. I feel certain that the Senator from Colorado is familiar with the report made by the committee on the Dixie project, at page 51 of the committee report. I should like to query the Senator particularly about the paragraph on that page which reads:

It is the intention of the committee that the provisions for the repayment of the Dixie project remain as far as possible in accord with the project's authorizing legislation (Public Law 88-565, 78 Stat. 848). Costs allocated to recreation and fish and wildlife are to remain nonreimbursable as in the original authorization.

Is the Senator familiar with that provision?

Mr. ALLOTT. Yes, I remember that provision.

Mr. MOSS. Is the Senator aware of any opinions stated in the committee or by the Department, or by anyone else, that the fish and wildlife costs allocated would be changed at all by the proposed legisla-

tion if the Dixie project were enabled to participate in the lower basin fund?

Mr. ALLOTT. I cannot honestly answer the Senator's question without completely reviewing the record. The Senator will recall that at the markup of the bill we had an unusual situation. We were holding hearings and were marking up the bill at the same time.

Frankly, the representatives of the Department of the Interior said so many things—some of them, I think, contradictory—that I really cannot answer the Senator's question.

Mr. MOSS. The reason why I bring that up at this point—and I addressed myself to it when I spoke last week on the bill—is that there has been raised again in the record what I consider to be an old herring or red shirt.

Mr. ALLOTT. Chestnut.

Mr. MOSS. The reimbursables. There is an insistence on bringing this subject up. I asked the Commissioner of Reclamation about it and obtained from him an answer in a letter from him dated August 7, 1967, in which he discusses this very point. He states that so far as the Bureau of Reclamation is concerned, and based on legal advice, there is no question that the funds used for the enhancement of fish and wildlife and recreation in the Dixie project remain nonreimbursable, as they were in the authorizing legislation.

But this bill makes no change whatever in the authorization of that project; it simply provides that it may get some financial help if a lower basin fund is set up. It does not change anything else.

With the permission of the Senator from Colorado, I should like unanimous consent to place the Commissioner's letter in the RECORD at this point, to establish what I think is a final and authoritative legal opinion as to what the terms of the Dixie project would be.

Mr. ALLOTT. I should be happy to have the Senator from Utah place the letter in the RECORD at this point in order to clarify the status of his own situation.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., August 7, 1967.

HON. FRANK E. MOSS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOSS: This is in reply to your recent oral request for our comments on the provisions which are included in S. 1004, as favorably reported by the Senate Committee on Interior and Insular Affairs, concerning the repayment of costs of the authorized Dixie Project, Utah. You particularly inquired concerning the reimbursability of costs allocated to fish and wildlife and recreation.

Subsection 2(j) of S. 1004 provides that, "The Secretary shall integrate the Dixie Project, heretofore authorized, into the repayment arrangement and participation in the Development Fund established by . . . (the bill)." This would permit surplus revenues from the Lower Colorado River Basin Development Fund which would be established if S. 1004 were enacted to be applied to assist in the repayment of costs of the Dixie Proj-

ect allocated to irrigation which are beyond the repayment ability of the water users. As you are aware, construction of the Dixie Project cannot proceed until a source of such assistance is provided. Our analyses indicate that there will be sufficient surplus revenues in the Development Fund under the provisions of S. 1004 over 10 years in advance of the date they would be required to accomplish repayment of the Dixie Project.

Aside from supplying repayment assistance, S. 1004 would not affect the repayment provisions of the Dixie Project. Section 3 of the bill states, ". . . the Central Arizona Project works authorized pursuant to this Act . . ." shall come under the provisions of P.L. 89-72 regarding recreation and fish and wildlife. This section does not apply to the Dixie Project. The Committee Report (Report No. 408, 89th Congress) states on page 51: It is the intention of the Committee that the provisions for the repayment of the Dixie project remain as far as possible in accord with the project's authorizing legislation (Public Law 88-565, 78 Stat. 848). Costs allocated to recreation and fish and wildlife are to remain nonreimbursable as in the original authorization.

Sincerely yours,

FLOYD E. DOMINY,
Commissioner.

Mr. MOSS. Mr. President, will the Senator from Colorado yield on one further point?

Mr. ALLOTT. I yield.

Mr. MOSS. The Senator's discussion of how the Hualapai Dam would be built under the provisions of the amendment which he is offering brings to my mind an article published in the press yesterday concerning the Grand Canyon. It is similar to other articles that have been published ad nauseam concerning how the Grand Canyon will be threatened in some way if the Hualapai Dam is built. I have previously addressed myself to this subject, as I know the Senator from Colorado has. However, the article contains two statements about which I should like to have his comment. The article is written by Irston R. Barnes, chairman of the Audubon Naturalist Society, and was published in the Washington Post of yesterday, August 6, 1967.

I should like to comment on one sentence in the article.

Mr. Barnes says:

Clearly, the Grand Canyon is of national interest; It is a unique part of our national heritage. It can be safe-guarded if the people in the rest of the Nation, to whom the Grand Canyon belongs as much as it belongs to the Colorado River States, support their Senators and Representatives in adamant opposition to the proposed dams and in whole-hearted support of the enlargement of Grand Canyon National Park.

Does the Senator have an opinion that the Grand Canyon is other than a national resource belonging to all the people?

Mr. ALLOTT. I had always thought it was. I presume that when Grand Canyon National Park was established, it was thought that it belonged to all the people.

Not only members of the committee, but also others who are interested in this matter, in dozens and dozens of speeches—if we could get them reported in the newspapers sometime—have tried to show that this would not invade the Grand Canyon National Park.

The Senator from Utah did a beautiful job the other day in showing that the Hualapai Dam would be far below the park. As I measured on the map, it would be 77 miles below the closest point of the Grand Canyon National Park.

Here you have one of the greatest potential resources. A few rich people, with a great deal of money, are able to outfit themselves—those who spend a great deal of time keeping themselves physically healthy and who do not have to do anything else—can get on a packhorse and get a guide and go in there each year. They are practically the only people who see this area today, and there are just a handful of them.

As the Senator from Utah pointed out last week, if the Hualapai Dam were built, there would be a reservoir which would not invade, except on the west side, and that would be just a relatively few feet in the canyon walls where the river is the boundary between the Grand Canyon National Park. Literally millions of people would have an opportunity to get into this area and see the beautiful canyon walls extending above them in some places 2,000, 3,000, or 4,000 feet. They would have access to boating and fishing. At present, we are preserving the area for the few people who run some of these organizations, financed by misleading many people all over the United States, and even financed sometimes by misleading schoolchildren, and getting them to contribute.

Mr. MOSS. The favorite phrase used in this scare campaign, it seems to me, is that we are going to flood the Grand Canyon. I ask the Senator if he could visualize any kind of dam that could be built to flood the Grand Canyon.

Mr. ALLOTT. It is difficult for me to envision it. As the Senator knows, I have been concerned with water problems all of my adult life. It would be impossible.

But what the Senator says is true. They have envisioned and they have painted for the people a picture of filling the Grand Canyon National Park with water, so that there would no longer be a Grand Canyon National Park, so that you could not go down the trails to the bottom of it any more. Nothing could be more false.

Mr. MOSS. Is this not to some extent a carryover of what we witnessed when the Colorado River storage project was authorized, and the same group was carrying on a scare campaign about the flooding of the Dinosaur National Monument, so that I believe even today the people of the United States think that the Echo Park Dam would have flooded the dinosaur quarry and ruined forever the great geologic wonder that caused the creation of the Dinosaur National Monument in the first place, which is in the Senator's State and partly in my State?

But the dinosaur quarry itself was downstream from where the dam was proposed, and never could have been touched in any way by any impounded waters. Yet, the gravemen of the scare campaign is, "Don't flood the dinosaur quarry. Don't destroy the dinosaur quarry." And it has succeeded. The proposal for the dam was finally set aside.

Mr. ALLOTT. That is the tragedy—the scare campaign did succeed. And when it succeeded, it destroyed one of the two or three really valuable hydroelectric projects on the Colorado River. The Echo Park Dam had the highest feasibility and the highest payout of any of the dams in the upper Colorado River project, as the Senator well knows. If we had not been the victims of this sort of thing, we would have been able to have that dam. The Senator and I have been active in trying to get roads built into that area. I do not have a count, but instead of a relatively few hundred people visiting the area at this time, I believe a half million or a million people each year would be able to enjoy it and have a place for recreation.

Mr. MOSS. I believe the Senator is correct. Had the great lake been built that would have been made by the Echo Park Dam, many more people would be attracted to the area, and they would have the opportunity to see the geological and archeological wonder of the dinosaur quarry. A building has been erected on the side of the mountain, and people may stand within the building, on a gallery, and see the work going on of taking the rock away and exposing the dinosaur bones. The bones are taken out, and one can see where they were deposited in the delta of some prehistoric river. This is one of the great sights in the country. But, as the Senator has stated, it is seen by only a few hundred people now, because the area is remote and is not easily accessible. The only drawing power of the area is this geological factor.

Mr. ALLOTT. In that instance, the emotionalism in the country was aroused by the fact that you are going to destroy the area, or leading people to believe that you are going to destroy the area—the only area in the country containing dinosaur bones. It could not have been more untrue. It could not have been more vicious—I will say that, and I cannot describe it in any other words.

By the same token, the same people are using the tack today that we are going to fill up the Grand Canyon. Frankly, if we could put a dam into the Grand Canyon, I do not know if there is enough water in the Colorado River to ever fill the Grand Canyon.

Mr. MOSS. Not in the next thousand years, I do not suppose.

One final question: Does the Senator agree with me that the sudden turnaround and elimination of the Hualapai Dam—which has so much to offer not only from the economic support of the project and the provision of hydroelectric power to the fastest growing area of the country, but also as a recreational potential—seem to be just an abject surrender to the same group that succeeded in eliminating the Echo Park Dam in the upper basin?

(At this point Mr. HOLLINGS assumed the chair.)

Mr. ALLOTT. Absolutely, and that is what it is: an abject surrender.

I think the Senator would be interested in an article which appeared in the Arizona Republic of August 1, which I hold in my hand. The article is written by Bill Nixon and is entitled "Rep-

resentative MORTON Says River Visit May Change His Vote." The article states:

Rep. Rogers C. B. Morton, R-Md., who is one of nine influential members of the House Interior and Insular Affairs Committee making a six-day trip down the Colorado, said that he would return to his home state and tell his constituents they were misinformed.

"I voted against it (CAP)," Morton admitted, "but now, after getting a first-hand look at the country, I'm convinced that the recreation advantages on the river with the dams are tremendous.

"I had pressure from conservation groups and garden clubs in my own state to vote against the CAP because they believed the dams (Marble Canyon and Bridge Canyon) would interfere with Grand Canyon National Park."

Mr. President, I might add that Marble Canyon has been dropped and Bridge Canyon is now known as Hualapai.

The article continues:

MORTON was the most outspoken of the congressional members, who were new to the area. However, Rep. Wendell Wyatt, R-Oreg., appeared to be shocked at a geography lesson given by Rep. Udall.

At the Colorado, just below the Phantom Ranch area, Wyatt asked Udall, "Where will the water back up here from the Bridge Canyon Dam?"

"Wendell, we will have to travel two more days on the river before we come to an area where the river will rise because of the proposed dam (at Bridge Canyon)," Udall answered.

Within earshot of the conversation was Rep. F. F. Sisk, D-Calif., a member of the House Rules Committee, which blocked passage of the CAP bill last year.

Mr. President, I ask unanimous consent that the entire article written by Bill Nixon, to which I have referred, may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REPRESENTATIVE MORTON SAYS RIVER VISIT MAY CHANGE HIS VOTE

(By Bill Nixon)

PHANTOM RANCH.—Two days of running the Colorado River in the heart of Grand Canyon National Park has convinced a Maryland Republican congressman that he was wrong in originally opposing Central Arizona Project legislation.

As a result, the Arizona water project may have a new ally on Capitol Hill.

Rep. Rogers C. B. Morton, R-Md., who is one of nine influential members of the House Interior and Insular Affairs Committee making a six-day trip down the Colorado, said that he would return to his home state and tell his constituents they were misinformed.

"I voted against it (CAP)," Morton admitted, "but now, after getting a first-hand look at the country, I'm convinced that the recreation advantages on the river with the dams are tremendous.

"I had pressure from conservation groups and garden clubs in my own state to vote against the CAP because they believed the dams (Marble Canyon and Bridge Canyon) would interfere with Grand Canyon National Park."

The Maryland legislator, a younger brother of Kentucky Sen. Thruston Morton, said that in his opinion the dam sites would not affect Grand Canyon.

Morton made the comments in the presence of other interior committee members and Rep. Morris K. Udall, D-Ariz., who arranged the trip.

Udall, who said that he originally planned the trip down the Colorado two years ago, was obviously elated over Morton's enthusiasm for the CAP.

The congressional group spent last night at Phantom Ranch, at the bottom of Grand Canyon, and planned to proceed downriver for another 48 to 72 hours on rubber rafts before returning to Washington.

Morton was the most outspoken of the congressional members, who were new to the area. However, Rep. Wenedall Wyatt, R-Oreg., appeared to be shocked at a geography lesson given by Rep. Udall.

At the Colorado, just below the Phantom Ranch area, Wyatt asked Udall, "Where will the water back up here from the Bridge Canyon Dam?"

"Wendell, we will have to travel two more days on the river before we come to an area where the river will rise because of the proposed dam (at Bridge Canyon)," Udall answered.

Within earshot of the conversation was Rep. B. F. Sisk, D-Calif., a member of the House Rules Committee, which blocked passage of the CAP bill last year.

Also making the river run from Lees Ferry to Diamond Creek, above the proposed Hualapai Dam site, and Reps. Roy A. Taylor, D-N.C.; William D. Ford, D-Mich.; Theodore Kupferman, R-N.Y.; Laurence Burton, R-Utah; James A. McClure, R-Idaho; and Sam Gibbons, D-Fla.

Commenting on the river run, Udall said, "This is certainly no high-pressure job to sell the Central Arizona Project to my colleagues. It's simply the best way to show them the proposed project sites first hand."

The congressmen, members of the committee that will ultimately decide whether Arizona is to get its long-sought water project, are enjoying themselves and observing too.

Rep. Wyatt, perspiring freely at the bottom of the Grand Canyon, commented, "I can't understand why Arizona and California are fighting over this."

Mr. MOSS. I thank the Senator for placing the article in the RECORD. I was not aware of that situation but the experience is not new. I find if I can take visitors to Lake Powell in Utah so they can see for an hour or two, all of these warped notions they have about the destruction of the river and the scenery evaporate and they go away ecstatic with the beauty that is there because the dam made a great blue lake and has made it possible for people to see the area.

Mr. ALLOTT. The Senator is correct. I appreciate the Senator's contribution on this very vital point because there is no question that, although lingering in the dark scenery behind the curtains, it is this pressure group which really caused the Secretary of the Interior to do a mental flip-flop and come up with this rather perverted version of the bill which we all worked so hard to achieve in the past few years.

Mr. MOSS. I thank the Senator.

Mr. ALLOTT. Mr. President, I shall continue with my address.

Fourth. Title IV would create a lower basin development fund and provides for cost allocations and repayment. As I have emphasized previously this development fund is the heart of the entire regional program. Without the development fund the regional program cannot exist.

Fifth. Title V is of paramount importance to my State of Colorado and the entire upper basin development program. Five reclamation projects would

be authorized for construction in western Colorado. These are the Animas-La Plata, the Dolores, the Dallas Creek, the West Divide, and the San Miguel projects. These five projects are participating projects of the Colorado River storage project and have been on drawing boards for many years. Their water supply is well within the apportionment of water by the applicable compacts to the State of Colorado. The State of New Mexico will receive direct benefits from the first of these projects. Payout studies by the Department of the Interior show that repayment of costs from the Upper Colorado River Basin fund is well within Colorado's share of that fund which, as I recall, is 46 percent. Needless to say, I support all five projects wholeheartedly.

Senate Document No. 80 of the 75th Congress has long been the causative agent of many intrastate disputes between the east and west slopes of Colorado. Representatives of both sides of the Continental Divide, after seemingly endless negotiations, have agreed upon an interpretation that is included in section 501(e) of my bill.

Another subject of bitter dispute between the upper and lower basins of the river is laid to rest in section 502. This section provides for a method of repayment to the upper basin fund of money that has been diverted therefrom to pay for diminutions in generation at Hoover Dam attributed to the filling of reservoirs of the Colorado River storage project. This section is the result of long and detailed negotiations between representatives of the upper and lower basin States.

Sixth. Title VI is another very important part of the bill so far as relations among the seven basin States is concerned. It took many months of detailed computation, studies, and negotiations by some of the most able water engineers and lawyers in the West and in the Department of the Interior to formalize the reservoir operating principles of section 602. I wish to thank publicly and congratulate all of these capable people who participated in this most difficult task. The operating criteria are fair and reasonable to both basins. They do not violate any of the principles of either the Colorado River Compact or the Upper Colorado River Basin Compact. They do, however, provide direction to the Secretary with respect to how to operate storage reservoirs under the terms of the compacts and yet allow for sufficient flexibility that extraordinary changing conditions can be successfully met.

Mr. President, in the above six enumerated items I have briefly mentioned those basic elements that are absolutely essential to a sound and reasonable approach to the resolution of the water problems of the Pacific Southwest.

The committee bill does contain the five Colorado projects, and I have always been an ardent supporter of those projects. But as Senators know, it is a long step between authorization and construction. There may be many pitfalls in the processes of advance planning, the appropriation of construction funds, and actual construction of a project. Authorization is no assurance of contemporaneous construction of the Colorado

projects and the central Arizona project. Further, the authorization of the central Arizona project would seal Colorado's fate with respect to future water development.

Colorado simply cannot afford the central Arizona project if its cost includes the shelving of its future water development, while central Arizona development rolls merrily along, in the absence of legislative guarantees under which my State can unquestionably retrieve from Arizona the water that would be "loaned" to her under the terms of S. 1004, because Colorado would find her future resource development encased in an inflexible, limited pattern from which escape will be impossible. Oil shale enterprises, petrochemical industries, other related resource developments, agriculture and associated water consuming activities, and municipal use, which we can now see over the horizon would be pushed back into the darkness.

Oil shale is just one example of the important resources in the upper basin whose development may be limited by the enactment of S. 1004 as reported by the committee. As Senators know there has been a recent surge of interest in the oil shale deposits in Colorado, Utah, and Wyoming. There are now favorable indications that the technological problems can be solved and oil shale may become a primary source of petroleum.

With fluid world conditions and the fragility of the alliances which now permit foreign oil production for importation into the United States and Western Europe, the national security implications of a future oil shale industry take on added significance. But an oil shale industry of any significant size will require considerable water, both in the upgrading and processing of the shale oil and in the related industries, associated services, and domestic needs of the communities to house the employees operating these plants. As an example of direct water use, I have been informed by oil shale experts that shale oil—kerogen—is a hydrogen-deficient hydrocarbon. It requires hydrogenation before refining, and this process requires water—a lot of water. Estimates are that hydrogenation of shale oil requires 1½ barrels of water per barrel of oil. Water development will obviously have a direct relationship to oil shale development. Oil shale development is going to have a direct relationship to the development of the States of Colorado, Utah, and Wyoming.

But the upper basin cannot afford to base its future on the development of one mineral to the exclusion of others, nor can the Nation permit it. Other important resources of the upper basin must also be developed under a balanced program. It would be unthinkable for the upper basin to defer other development solely for the preservation of sufficient water from our dwindling supply for the express purpose of developing only one resource. While present indications are favorable, it is a fact that a commercially and economically feasible method of extracting shale oil from oil shale has not been proven, and commercial production does not now exist.

Balanced development will require full development of our apportionment under

the Colorado River compact, and augmentation of our water resource is essential in order for the upper basin to receive its full apportionment of 7.5 million acre-feet annually. S. 1004 totally fails to come to grips with these needs.

I have repeatedly stated that I could not support and would be compelled actively to resist any central Arizona legislation which did not provide for all of the following four elements:

First. Provide for the repayment to the upper basin fund of the charges made to it for power deficiencies during the filling of Glen Canyon Dam;

Second. Provide for the five Colorado projects—Dolores, San Miguel, West Divide, Dallas Creek and Animas-La Plata;

Third. Provide for some beginning of a study for the importation of water; and

Fourth. Provide for the Hualapai Dam.

Only two of these four elements are contained in S. 1004 as reported by the committee, the repayment provision and the five Colorado projects.

At the hearings on S. 861, S. 1004, S. 1013, S. 1242, and S. 1409, witnesses from my own State of Colorado and the States of Utah and Wyoming expressed great concern over the fact that most of the water left for future development in the upper basin of the Colorado River, and which would have to be used on the central Arizona project under S. 1004, is water that has been apportioned to those States for their consumptive use. Representatives of these three States believe that it is the duty of Congress to assure their future development of water resources by protecting the water apportioned to them by compacts. I concur with them completely. This protection can and should be realistically provided in this legislation by authorizing studies of all forms of augmentation of water supplies, such as reductions in water losses, water conservation practices, desalinization, weather modification, importation of water from outside the natural drainage basin of the Colorado River, and other means. Directly, or by exchange, the new water could be utilized by States in both the lower and upper basins.

I repeat, all four elements are essential to the resolution of the upper basin dilemma. This is the official position of the Governor of Colorado and of the Colorado Water Conservation Board, which is by statute charged with the responsibility of water development and conservation in the State of Colorado, and it is the position that has been taken by members of the Colorado congressional delegation.

It should be remembered by all concerned that nearly 92 percent of all of the virgin flow of the Colorado River originates in the upper basin, while considerably less than half is reserved for upper basin use by the effects of the Colorado River compact. Seventy percent comes from Colorado.

Colorado's sister States should also be reminded of the fact that Colorado was apportioned only 51.75 percent of upper basin water, under the terms of the Upper Colorado River Basin Compact. But, over 70 percent of the virgin flow of the Colorado River as measured at Lee Ferry

is produced in Colorado, according to the records of the Upper Colorado River Commission. Colorado has been generous in sharing her precious water resources, and as such is entitled to the good will and support of her sister Colorado River Basin States in resolving her water problems.

Amendment No. 214 is a compromise, but it is a compromise that was worked out in good faith. While no one State gets everything it wanted under its terms, it did grant benefits to all. It is an agreement with which all seven States could live. But, more importantly it represented an agreement which recognized, in the form of legislation, that the water shortage problems of the Colorado River Basin were mutual, and that if those problems were ever to be solved the whole basin had to work together. S. 1004 represents an abandonment of that spirit of cooperation and mutual assistance and a return to the attitude of each State attempting to solve its own problems without regard for the injury or potential injury which may be done to her sister States in the basin.

I offer amendment No. 214 in an effort to recapture that spirit of cooperation and to give Senators an opportunity to vote for a long-range solution to the Colorado River Basin's water shortage problem.

Mr. KUCHEL. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I am happy to yield to the Senator from California.

Mr. KUCHEL. First, I wish to repeat what I said earlier. We have just listened to an excellent, scholarly, powerful, and persuasive address which demonstrates, with forceful clarity, why the administration's bill should be defeated.

I congratulate the distinguished senior Senator from Colorado [Mr. ALLOTT] for spreading the truth upon this record, and for offering a good-faith substitute in which Senators on both sides of the aisle have joined.

Mr. President, let this record clearly show that the substitute offered by the distinguished senior Senator from Colorado is no sudden, spur-of-the-moment nostrum. It represents the considered judgment of the governments of every State in the Colorado River Basin, concurred in by the Secretary of the Interior before he committed his amazing political flip-flop.

I want to say to the Senator from Colorado that he has preached a good gospel of regional cooperation, by which the American people and their representatives in the several States of the American Union would seek to give immediate help to the people of Arizona and at the same time provide a means by which long-term assistance to Arizona and to the other six Colorado River Basin States could be achieved.

I am personally proud to put my name on the substitute which the distinguished senior Senator from Colorado has introduced. As he said earlier, it represents some refinements over an almost identical bill which the Representatives in Arizona in the House of Representatives introduced in the last session.

Because of those refinements, we have agreed that the Senate ought to stand up

and be counted on the substitute, and that the substitute should be the one that bears the Senator's name, and the names of some of the rest of us, Democrats and Republicans, in this body.

I want to say particularly that the Senator from Colorado has demonstrated courage in what he has said here today. It is true that the bill as it came from committee contained some amendments that would be appealing to the people he has the honor to represent and who have the honor to be represented by him.

The Senator is a good Coloradan and a good American. His conclusions and his substitute proposal represent the public interest at its very best; represent the paramount interest of all the States in the Pacific Southwest who are going to have to rely for their survival on more than the diminishing quantities of water in the river. That is why the Senator from Colorado put his finger on the continuing urgent need for regional cooperation, and that is why, also, the Senator from Colorado threw back into the mouth of the Secretary of the Interior the very words the Secretary of the Interior used to demonstrate that we need revenues in the Federal Treasury to help, in the future, to pay for the prodigious costs of water works.

The Senator from Colorado spoke the truth. The truth needed saying. I simply salute him and tell him that I am glad to put my name on the substitute he has proposed and offered here, and to hope and pray that, in the spirit of cooperation, in which all our States have participated, the substitute may be adopted.

Mr. ALLOTT. I thank the Senator very much. He, himself, has fought a great battle in this problem. The marking up of the bill was a long, extensive process, and his advice, help, and courage have always been a great asset during the hearings on this issue.

I can only express to the Senator that Colorado has its back to the wall now, and every effort, no matter how poor, of mine that can be exerted must be exerted, so the Senate may know what is actually involved and in order that the rights not only of Colorado but of the other Basin States may be preserved. I see on his feet the Senator from Wyoming [Mr. HANSEN]. The Senators from California, Utah, Nevada, and other States are present. There are many facets of the bill which I think are wrong in principle. I think the measure which several of us have offered together provides an answer.

One way for the Senate to adopt it would be to avoid the somersaulting secretary for a few minutes. Then the Senate could pass this substitute, which would be of benefit to the whole Nation, and particularly to the Southwestern States.

Mr. KUCHEL. I agree with my friend. I hope the substitute will receive the approval of the Senate.

Mr. ALLOTT. I thank the Senator.

Mr. President, a former Governor, then Senator, and later Governor of Colorado, Edwin C. Johnson, is a man who, despite his now considerable years, is very active intellectually and physically. He has been of great help to the people of Colorado

through his knowledge of the water system of the Colorado River Basin.

Mr. Johnson recently wrote an article which I am going to have placed upon the desks of each Senator, relative to S. 1004. In fact, it is a critique of S. 1004.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

S. 1004

(By Edwin C. Johnson)

As amended by the Senate Interior Committee S-1004 is a mysterious legislative proposal. Its fanatical passion to grab water apportioned by the Colorado River Compact to the Upper Division of the Colorado River Basin, borders on the ludicrous. Its stubborn determination to resist and avoid at any cost, the importation of water from the areas of tremendous surpluses in the region, smack of delusion. The people of Colorado and the other Upper Division states who comprehend the extreme shortage of water in the Colorado River are convinced that importation is the only solution but Arizona has rejected their efforts to help her.

On February 16th, 1967, the Honorable Carl Hayden, a very distinguished United States Senator, who by years of extraordinary public service holds the distinction of "legend" among the statesmen of America, introduced in the Senate, S-1004 to authorize the Central Arizona project. Numerous amendments in the Senate Interior Committee have altered its original purpose, however.

Unfortunately, Arizona Congressmen Morris D. Udall, John J. Rhodes and Sam Stelger have misled Senator Hayden into believing that it is not necessary to import water from basins outside the Colorado drainage basin. Actually, their silly position is fatal to the Senators bill. This is the position the three mistaken Congressmen advocate:

"By this proposed bill we do not seek to obtain water at the expense of other States in the Colorado River Basin or for that matter, from the Northwest, from California, or from any other source outside the Colorado River Basin."

But Arizona has no water remaining in the Colorado River Basin.

On June 3, 1963 the Supreme Court of the United States said:

"Hoping to prevent conflicts and expensive litigation which would hold up or prevent the tremendous benefits expected from extensive federal development of the river, the basin States requested and Congress passed an Act on August 19, 1921, giving the Colorado River Basin States consent to negotiate and enter into a compact for the *equitable division and apportionment* . . . of the water supply of the Colorado River." (Emphasis Added)

Following is an excerpt from the Act of Congress about which, the Supreme Court of the United States had made reference:

"Be It enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that consent of Congress is hereby given to the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming to negotiate and enter into a compact or agreement not later than January 1, 1923, providing for an *equitable division and apportionment* among said States of the water supply of the Colorado River and of the streams tributary thereto * * *." (Emphasis Added)

These then were the official guide lines under which the Colorado River Compact was to be assembled. All divisions of water had to be equitable. Commissioners' votes must be unanimous.

By unanimous vote Herbert Hoover was named Chairman of the newly formed Commission. A total of 27 meetings was held by them during the year 1922 at various points in the member States and in Washington, D.C. The final session was held on November 24th, 1922 in Santa Fe, New Mexico.

The roll call of the Commission was, Herbert Hoover, Chairman, W. S. Norviel, Arizona, W. F. McClure, California, Delph E. Carpenter, Colorado, J. G. Scrugham, Nevada, Stephen B. Davis, Jr., New Mexico, R. E. Caldwell, Utah, and Frank C. Emerson, Wyoming.

These statesmen, patriots and compact negotiators voluntarily undertook a mission that was almost beyond human fulfillment. Congress had authorized them to put together and develop an interstate compact which would provide for the *equitable division and apportionment of the water supply of the Colorado River Basin States*.

But it simply was not feasible to negotiate an equitable division of Colorado River water between or among the seven individual states. Their needs for this water varied greatly and their basic views and plans for the future were far apart. Every effort to develop a compromise ended in a jealous row. An "equitable division" of the water supply of the Colorado River insisted upon by Congress authorizing them to form a compact was based on an "equitable division" of Colorado River water. The "two basin idea" urged by Herbert Hoover appeared the only way out. Finally the Individualistic Commissioners gave up and two basins were created primarily for "equitable division purposes." This is how they did it:

"There is hereby apportioned from the Colorado River System in perpetuity to the Upper Basin and to the Lower Basin, respectively, the exclusive beneficial consumptive use of 7,500,000 acre-feet of water per annum, which shall include all water necessary for the supply of any rights which may now exist."

Could language be plainer? Could purposes be clearer? Could objectives be more equitable? The two basins were separated by hundreds of miles of deep breath-taking Canyons. In *Arizona v. California* 373 U.S. 566 June 3, 1963, the Supreme Court of the United States commented thusly:

"Participants [in the compact negotiations] have stated that the negotiations would have broken up but for Mr. Hoover's proposal that the Commission limit its efforts to a division of water between the Upper Basin and the Lower Basin, leaving to each basin the future internal allocation of its share. And in fact this is all the Compact did."

The Colorado River Compact is an interstate agreement. All interstate compacts must have the consent of Congress before they can be formed. As a matter of course an interstate compact is formed for some distinct purpose which must be stated and respected. The major purposes of the Colorado River Compact are to provide for the equitable division and apportionment of the use of the waters of the Colorado River System; "To these ends the Colorado River Basin is divided into two basins and an apportionment of the use of an equal part of the water of the Colorado River system is made to each of them with the provision that further equitable apportionments may be made." (The Colorado River Compact, Article I).

When Congress gave its constitutionally required consent to the seven Colorado River States to enter into a solemn compact and agreement with respect to the conservation and use of the water of the Colorado River, Congress made it plain to all concerned that the division of water between the Upper and Lower Basins had to be an "equitable division."

In line with this declaration by Congress every provision of the Colorado River Com-

compact large and small, faithfully adhered to the "equitable division" standard except Article III, paragraphs (b) and (d).

The water rights on the Colorado River in the order of their priority are as follows:

The first water rights are those which existed on the river on November 24th 1922, the day the Colorado River Compact was signed by the Compact Chairman, Herbert Hoover and the seven official negotiators of the seven Colorado River States; standing second are the water rights acquired by the United Mexican States in the Treaty negotiated with the United States of America in 1945, interpreted by Article III, paragraph (c) of the Colorado River Compact; standing third are those rights which were automatically created in the apportionment of 7,500,000 acre-feet of water to the Upper Basin and a like amount to the Lower Basin by Article III, paragraph (a); then came the surplus water designated by Article III(b); and the final water right includes whatever surplus water which might occur in the Colorado River System at any time and not apportioned by Article III, paragraphs (a), (b) and (c).

In imposing the Mexican water burden upon the Upper and Lower divisions, the Colorado River Compact was exceedingly careful to follow to the letter the commanding and specific Congressional Consent, featuring the specific demand that there must be an "equitable division" of the water supply of the Colorado River between the two river basins.

Careless language in the Colorado River Compact probably has caused the great confusion and uncertainty attributed to (b). This provision from time to time has had numerous interpretations. It was argued before Mr. Justice Brandies in *Arizona v. California* (283 U.S. 423, 1931) but not determined.

Doubtless paragraph (b) was never intended to be an instrument for the division of water between the two basins. Under the rigid equitable division formula, upon which Congress based its *Compact Consent*, if the Lower Basin were to be apportioned one million acre-feet of Lee Ferry water, the Upper Basin must be apportioned a million acre-feet of identical water. Only such action would be an "equitable division" under the compact.

Accordingly the water supply for paragraph (b) must come from the water surplus of the Colorado River System which includes the surplus waters of the Gila River.

On the other hand, paragraph (d) is an out and out swindle of Upper Division water. The authors of the Colorado River Compact over estimated the flow of the Colorado River by more than seven million acre-feet per annum. The Upper Basin's negotiating Commissioners concluded that with such an overwhelming volume of water the adoption of paragraph (d) was insignificant and routine and a simple and a perfectly safe way to settle the last dispute with the Lower Division. The Upper Basin deemed it a perfectly harmless gesture of good will between the two competing divisions. However, today we have discovered their wild-eyed appraisal was a grievous error and that paragraph (d) is a frightful handicap and a vicious threat to every area above Lee Ferry. While it was an honest mistake made by honest men, other honest and bold men must correct paragraph (d)'s destructive and trouble making provisions.

Perhaps the only way out is the appointment of a master by the Supreme Court to make an equitable division of the water supply of the Colorado River between the Upper and Lower Divisions. Whatever the method, it must be done now.

Furthermore Article III, paragraph (d) is in complete violation of the "equitable division" declaration of Congress when Congress gave its consent to the Seven States to enter

into a compact and agreement respecting the conservation and use of the water of the Colorado River. In addition to its basic illegality, its provisions are completely unenforceable.

For the first time in history "the States" of the Upper division have "caused" the flow of the river at Lee Ferry to be depleted below an aggregate of 75 million acre-feet of water for a period of ten consecutive years. If it is a violation of the Compact to fail to deliver at Lee Ferry 75 million acre-feet of water, which of the four Upper Basin states are guilty? Is it one state, or two states or three or all four? What penalty will be imposed? And on which of them will it be imposed? Will the Secretary of Interior open the head gates of Navajo, Flaming Gorge, Curecanti or Glen Canyon and help himself to our water? What will the four Upper Basin Governors do should the Secretary of Interior seize Upper Basin water? It is my prediction that the Secretary of Interior will not move an eyelash until the election of 1968 is out of the way.

For whatever reason it happens, when the Upper Division is not ready to use Upper Basin apportioned water the Upper Division will be glad to have the Lower Basin make emergency use of it, but cannot tolerate having the Lower Division in the name of Central Arizona borrowing federal money for construction and borrowing our water for a water supply for their pet project. The Supreme Court has approved water use in Arizona only *when water is available* so the Upper Basin must be certain that water borrowed from the Upper Basin is identified as our paragraph (e) water and not water understood generally to be Arizona water.

On March 13, 1967, Congressman Morris K. Udall on behalf of himself and Congressmen John J. Rhodes and Sam Steiger of Arizona in testimony before the House Subcommittee on Reclamation, said:

"* * * in 1963 the Supreme Court of the United States ruled that Arizona is entitled to two million eight hundred thousand acre-feet of Colorado River water per year, to help meet its water needs."

No such ruling by the Supreme Court has ever been made! However, in 1963 the Supreme Court issued this explanatory decree:

"If sufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy 7,500,000 acre-feet of annual consumptive use in the aforesaid three States, then of such 7,500,000 acre-feet of consumptive use, there shall be apportioned 2,800,000 acre-feet for use in Arizona, 4,400,000 acre-feet for use in California, and 300,000 acre-feet for use in Nevada;" (emphasis added)

The 2,800,000 acre-feet of water apportioned *conditionally* to Arizona by the Supreme Court includes all the water Arizona takes out of the mainstream of the Colorado River. This would include Arizona water under contract; mainstream water consumed by Arizona Indian tribes; water legally or illegally seized by squatters along the Colorado River; and all mainstream water consumed by Arizona. It, of course, would include the water Arizona is obligated to deliver to Mexico under the provisions of the Mexican Treaty. At least a million acre-feet below Lee Ferry is lost annually through evaporation, and unfair as that may appear to the Arizona Congressmen, under Colorado River law Arizona is held responsible along with California and Nevada for such a consumptive use.

The U.S. Supreme Court Decree added this word of caution:

"Any mainstream water consumptively used within a state will be charged to its apportionment, regardless of the purpose for which it was released;" (376 U.S. 340 March 9, 1964)

Henceforth it will be a struggle to deliver 750,000 acre-feet of water to Mexico and 75 million acre-feet to the Lower Basin at Lee Ferry. I do not believe it can be done. Answers to these questions must be had before Congress assumes the obligation of delivering an additional 1,200,000 acre-feet of water at Lee Ferry for the Central Arizona project.

However, Article III, paragraph (e) of the Colorado River Compact is as constructive and wholesome as paragraph (d) is evil and destructive. The provisions of paragraph (e) are designed to guard against a water blockade on the Colorado River. It insists that the entire supply of water serve one or the other of the Colorado River Basins.

Paragraph (e) water is water which has been apportioned to the Upper Basin and belongs to the Upper Basin but has not been used because the Interior Department has failed to designate any Upper Basin projects for construction. As those of us from the far west understand it, the Upper Basin can put its water to beneficial use only through projects constructed by the Secretary of Interior.

Since (e) water belongs to the Upper Basin the Upper Basin is given the first chance to use it. If we have no projects ready to use it the Lower Basin can borrow it until we do have projects ready. The Secretary of Interior has been very slow to approve projects for construction in the Upper Basin.

Something needs to be done to speed up the construction of projects in the Upper Basin. With the exception of Central Arizona, construction in the Lower Basin is practically completed. The Upper Basin has been very patient but patience in this respect is no longer a virtue.

This table spells out of the total water demand of the Upper Basin—project by project:

Upper basin depletions estimated by the States of the upper Colorado River division

Colorado:	Acre-feet
Present existing depletions	1,782,000
Silt	6,000
Evaporation, upper basin reservoirs	342,000
Fryingpan-Arkansas	70,000
Homestake	74,000
Pueblo Eagle River	3,000
Colorado Springs Blue River	6,000
Denver (Moffat, Jones Pass and Blue River) (Eagle and Piney)	215,000
Hayden steam plant	12,000
Pine River Ext. lands	6,000
Savery-Pot Hook (Colorado)	26,000
Bostwick Park	3,000
Fruitland Mesa	28,000
Four Counties (Transmountain)	40,000
Englewood (Fraser River)	10,000
Oil shale development	250,000
Dolores	74,000
Animas-La Plata	127,000
West Divide	71,000
San Miguel	74,000
Yellow Jacket	50,000
Battlement Mesa	11,000
Grand Mesa	32,000
Blue Stone	13,000
Upper Gunnison	32,000
Basalt	26,000
Juniper	48,000
Troublesome, Rabbit Ears, and Parshall	40,000
Great Northern	13,000
Wessels, Hayden and Toponas	63,000
Eagle Divide-Gypsum	20,000
Upper San Juan	12,000
Potential Transmountain	130,000
Dallas Creek	37,000
Total depletion	3,746,000

Upper basin depletions estimated by the States of the upper Colorado River division—Continued

New Mexico:	Acre-feet
Utah construction	40,000
Town of Farmington	5,000
Navajo Reservoir contracts	100,000
Navajo Reservoir evaporator	30,000
San Juan-Chama	110,000
Navajo Indian irrigation	250,000
Navajo Indian Hogback	10,000
Hammond	10,000
Animas-La Plata	35,000
Other existing uses	100,000
Colorado River storage project evaporation	74,000
Total depletion	764,000

Utah:	
Depletion as of 1952	407,000
Subsequent Utah Water and Power	25,000
M&I uses not included elsewhere	157,000
Private developments	3,000
Miscellaneous exports from basin	108,000
Central Utah project	760,000
Emery County project	14,000
Provo River project	6,000
Sanpete project	2,000
Evaporation Utah	186,000
San Juan County development	15,000
Ferron watershed	8,000
Other small watersheds	9,000
Carbon County development	10,000
Cottonwood Gooseberry	8,000
Pack Creek	1,000
Henry's Fork	7,000
Debeque	252,000
Juniper	160,000
Total depletions	2,138,000

Wyoming:	
All present uses	265,000
Seeds-kadee	165,000
Lyman	10,000
Eden improvement plan	15,000
Industrial Westvaco	24,000
Other industrial oil shale power	185,000
Boulder Lake	2,000
Henry's Fork	11,000
La Barge Area	14,000
Savery-Pot Hook	12,000
Cheyenne City Little Snake River	31,000
Private development	17,000
Sublette	117,000
Trans. Basin	233,000
Evaporation, Wyoming	92,000
Total depletion	1,193,000

Northeast Arizona: Total depletion	
	50,000

This table was put together by the officials and water experts of the States of Colorado, New Mexico, Utah and Wyoming. It indicates the importance of Colorado River water to the entire Upper Basin.

The chart on this page is not pleasant reading for any of the states of the magnificent Southwest. It tells the sad sad story of a bankrupt river. Nothing is quite so heart-breaking as half enough water out there on the desert. We must be realists. The man without shoes felt sorry for himself until he met a man without feet. We must keep our dreams going and our hopes hot and above all, we must fit the garment to suit the cloth.

Virgin flow, Colorado River

	Acre-feet
Average for last 44 years	13,951,000
Average for last 34 years	12,967,000
Average for last 10 years	12,031,500

Virgin flow, Colorado River—Continued

	Acre-feet
Average for 1931 to 1940, inclusive 10 years.....	11,831,800
Fiscal year 1954.....	7,667,000
Fiscal year 1955.....	9,189,000
Fiscal year 1956.....	10,749,000
Fiscal year 1959.....	8,562,000
Fiscal year 1961.....	8,470,000
Fiscal year 1963.....	8,360,000

Required delivery at Lee Ferry:	
Colorado River compact (on annual basis).....	7,500,000
Mexican Treaty Upper Basin Burden.....	750,000
S. 1004 central Arizona (proposal).....	1,200,000

Total Lee Ferry.....	9,450,000
Northeast corner State of Arizona commitment.....	50,000

Total lower basin (proposed).....	9,500,000
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When virgin flow is.....	13,951,000
S. 1004 requirement.....	9,500,000

Upper basin portion would be only.....	4,451,000
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When virgin flow is.....	12,967,000
S. 1004 requirement.....	9,500,000

Upper basin share would be only.....	3,467,000
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For years and years the Lower States have had the Lions share of the Colorado River. This experience has spoiled them and the United Mexican States too. During a period of five years ending in 1963 the Lower Basin dumped ten million acre-feet of water in the Gulf of California. From now on that will never be possible. This is only the beginning of the new water shortage in the Lower Basin. Henceforth it will be a struggle for the Upper Division to deliver 8,250,000 acre-feet at Lee Ferry each year. Should Central Arizona be enacted without importing water from other basins the Lower Basin requirement and demand will be at least 9,450,000 acre-feet at Lee Ferry. That's more water than the total flow of the Colorado River in five years in the table above.

Question: How large is the Central Arizona Project?

Answer: It would consume 1,200,000 acre-feet per annum.

Question: How many Colorado water projects would it require to use 1,200,000 acre-feet of water?

Answer: The answer is 32.

Question: Name them and the amount of water each would consume.

Answer:

	Acre-feet
Colbran.....	7,000
Paonia.....	10,000
Smith Fork.....	6,000
Florida.....	16,000
Silt.....	6,000
Frying Pan-Arkansas.....	70,000
Homestake.....	74,000
Hayden elec.....	20,000
Pine River ext.....	28,000
Savery-Pot Hook.....	38,000
Bostwick Park.....	3,000
Fruitland Mesa.....	28,000
Pueblo Eagle River.....	3,000
Colorado Springs Blue.....	6,000
Fraser R., Englewood.....	10,000
Oil shale water.....	144,000
West Divide.....	71,000
San Miguel.....	74,000
Yellow Jacket.....	50,000
Battlement Mesa.....	11,000
Grand Mesa.....	32,000
Blue Stone.....	13,000
Upper Gunnison.....	32,000
Basalt.....	26,000

	Acre-feet
Juniper.....	48,000
Parshall.....	40,000
Great Northern.....	13,000
Eagle Divide Gypsum.....	63,000
Upper San Juan.....	20,000
Dallas Creek.....	37,000
Animas-La Plata (Colorado portion).....	127,000
Dolores.....	74,000

Total: These 32 Colorado projects would consume (water depletion)..... 1,200,000

Question: If the Central Arizona project is constructed and authorized to use Colorado River water at Lee Ferry how many projects and what size, will Colorado be able to supply thereafter with sufficient water to operate?

Answer: See Tipton and Kalmbach, Inc. Report (Page 21). As I understand the conclusions of this comprehensive report, it suggests:

Should the delivery at Lee Ferry be 8,250,000 acre-feet per year as required by the Colorado River Compact, the limitation of the *net beneficial consumptive use* in the Upper Division, including evaporation from the reservoirs of the Upper Colorado River Storage projects, would be 5,600,000 acre-feet.

It can be very much less than 5,600,000 acre-feet, but that is the most it can be. So, instead of the 7,500,000 apportioned to it by the Colorado River Compact, it now shrinks to 5,600,000 or less.

But, if 1,200,000 acre-feet is diverted to Central Arizona, the total consumptive use would drop to 4,400,000 acre-feet. And, should the virgin flow of the Colorado River drop to its 34-year average on top of the Central Arizona diversion, the "net beneficial consumptive use" would become 3,416,000; and that would end all project construction in the Upper Basin.

Among the Seven States of the Colorado River Basin where there is and has been an extreme shortage of public water, disputes thrive. The actual supply of water has varied from year to year and from season to season and there has been no end to estimates by interested parties. In 1965 the Upper Basin authorities undertook a comprehensive study of the Colorado River water supply to settle for all time these disputes.

On June 3, 1965, the Upper Colorado River Commission of Salt Lake City employed Tipton and Kalmbach, Inc., a well-known internationally experienced water authority and reputable engineering firm of Denver, Colorado and one that is familiar with the Colorado River, to make a detailed study and report on its water supplies. This report was filed with the Commission. It was a most comprehensive and valuable report. In fact, it is a masterpiece of clarity and boldness on the subject and was made without a hint of prejudice. Following are a few pertinent and general observations stated by it.

"Based upon the recorded historic flow of the Colorado River, it appears that nature has decreed that the River will not supply enough water to support the apportionment made by the Colorado River Compact to the Upper Basin; an amount of 7.5 maf for consumptive use from the main river to the states of Arizona, California, and Nevada; and the allocation to Mexico by the Mexican Water Treaty of 1944.

"Simple arithmetic indicates that there will not be enough water on the lower river to sustain a delivery of 7.5 maf for the states of Arizona, California, and Nevada, and to take care of the Mexican burden.

"The obvious conclusion is that a firm water supply is not available in the Colorado River to satisfy a basic beneficial consumptive use requirement of 7.5 maf from the main stem by Arizona, California, and Ne-

vada, plus delivery of 1.5 maf of water to Mexico. If these requirements as well as Upper Basin requirements are to be satisfied, projects must be authorized and constructed to import major amounts of water into the Colorado River Basin from sources of surplus. Such importation is important to both the Upper and Lower Basins."

Royce C. Tipton, of Tipton and Kalmbach Inc., was quoted by the press as saying on October 11, 1965:

"I do not favor authorization of the Central Arizona Project. Even if we correct odious provisions of the present bill, this project would shut out for all time any additional diversions of water from the Colorado River by any Eastern Slope entities."

With great respect may we suggest that before the Senate proceeds with legislation on the subject, that it direct the Bureau of Reclamation to make a thorough and comprehensive study and official report on the water supply of the Colorado River over a period of the last fifty years.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield to the Senator from Wyoming.

Mr. HANSEN. I wish to compliment the distinguished Senator from Colorado for having added immeasurably to a full understanding of this most difficult and involved question. I thank the distinguished Senator from Colorado for the contribution he has made here this afternoon. I am not surprised that he would make this contribution, because, first of all, he is a man trained and skilled in water law. He knows the West. He knows Colorado. He knows the problems of the river. He knows the successful approaches that have been used in the past by each of the seven States in the Colorado River Basin area in order to make the great progress that has marked the development of this region.

I am delighted that the Senator brings to bear also the seniority he enjoys in the Senate. It entitles him to the consideration that I am certain his views will be accorded.

The Senator has an intimate knowledge of the problems of the West, and particularly of the water problems of the West. He is recognized as a very diligent legislator in water problems, as well as in problems that concern the Rocky Mountain States in many other areas.

The prestige he brings on behalf of the upper basin States and California in this battle is important and crucial to all of us. Involved in this question are issues that go beyond the seven-State basin area. They project themselves onto the full national scene. I refer, of course, to the treaty with Mexico, one of the problems that is so intertwined in this whole complex situation as to make most difficult any easy resolution of these various issues.

I echo the sentiments of the distinguished Senator from California when he said he saluted the distinguished Senator from Colorado for the political courage he has shown once again this afternoon.

It is not easy to oppose our good friends from Arizona. It is not easy to oppose people who are trying to get water for parched land, whose wells are drying up, and whose cities will feel very acutely the pinch of inadequate water supply.

My own State of Wyoming is like the State of Arizona and the State of Colorado in that certain parts of it have a very restricted water supply. Much of Wyoming receives annually only about 6 inches of rainfall. So we in Wyoming, too, know something about water shortages, and we know something about the courage that is required for a person to speak out in the face of easily misunderstood sentiments as forthrightly, as honestly, and as courageously as the Senator has this afternoon.

It takes statesmanship to stand firm in proposing long-range solutions which will benefit an entire region. It takes statesmanship to face up to what I assume will be an overwhelming sentiment reflecting in part partisan political lines which may be in evidence here this afternoon—though I hasten to add that my colleague from Wyoming and I stand together. We are working together for the benefit of Wyoming and for the entire region in opposing this bill. I made a statement on the floor of the Senate just last week expressing some sentiments composed by my distinguished colleague.

The Senator this afternoon, among other things, has referred to the growth in population which will characterize the decades ahead for the Colorado basin area. There is one factor that I should like to refer to. The Senator from Colorado has devoted a portion of his remarks to a discussion of the potential growth of the upper basin States. He has spoken of the mineral resources which we could expect to extract from our lands in these States in the near future. He has spoken of the direct relationship between the availability of water and the economic feasibility of mineral enterprises. He called attention to the fact that it will take perhaps 1 to 1½ barrels of water to produce a barrel of oil from the oil shales which hold such great possibilities as an energy source for our future.

The Senator has spoken of the direct relationship between the availability of water and the economic feasibility of these mineral enterprises. The Senator has mentioned such water-consuming activities as the petrochemical industries, agriculture, and, as I have just noted, oil shale.

As the Senator has pointed out so well, these developments hold great promise for our upper basin States, particularly for the States of Colorado, Utah, and my own State of Wyoming.

Early this year, Northcutt Ely, who, as Senators know, is one of the foremost water lawyers in the world, as well as being a special counsel for water problems for the State of California, spoke out in a very important speech on the demand for water which may be made by a potential oil shale industry. He had this to say:

First, as to demand, an oil shale industry producing 2 million barrels of oil daily can be expected to require each year the diversion of about 750,000 acre-feet for direct use, plus use by the population and affiliated industries which oil shale development will add to the economy of the Upper Colorado River Basin. Of this, perhaps 500,000 would be consumed, and say 250,000 returned to

the river. The return flow, as in all cases of return flow everywhere, will carry with it some degree of contamination. Such pollution could create a serious problem, locally and interstate, to the extent that it reduces the usability of the water in the river downstream.

Mr. Ely continued:

The impairment may conceivably be characterized as an additional consumptive use, but this is a separate area. Second, as to supply, the total lawful usable supply in the Upper Basin is a good deal less than the total visible supply. This is due to interstate commitments to downstream users. The effect, particularly in Colorado, is that there is not enough uncommitted water available for use in the State of origin to supply the anticipated water requirements of the oil shale industry, and these requirements must be met in large part by the purchase of existing water rights, perhaps reducing the state's agricultural economy in some degree as a partial offset to the benefits to be derived from the new industry. The ultimate remedy which may well come about is the importation of several million acre-feet annually into the Colorado River Basin from other watersheds.

With particular reference to Mr. Ely's last statement, where he spoke about the ultimate remedy lying in the importation of several million acre-feet of water annually into the Colorado River Basin: If there is any doubt in anyone's mind about the proportion of this problem, Mr. Ely's perspective should prove very instructive. This is a national problem, as the Senator from Colorado has so often stressed.

Without getting ourselves into a discussion of the water rights problem in our Western States, would the Senator from Colorado care to respond to these remarks of Northcutt Ely?

I invite the Senator's comment.

Mr. ALLOTT. Mr. President, I think I have, over the period of approximately the last 3 hours, responded to all of them in one way or another. If the Senator wishes me to respond specifically to any of Mr. Ely's remarks, and will hand them to me, I shall be glad to try to do so. My attention was diverted.

Mr. HANSEN. No; I—

Mr. ALLOTT. I am sure I have discussed all of these points: The matter of the regional approach, that it is a problem which has to be resolved on a regional basis, but that it is in fact a national problem, because you cannot take Arizona, California, Nevada, and the four other States, having one-twelfth of the land volume of the contiguous United States, and think of it in any other terms than that it is a national problem. We are not just dealing with a little water fight here between a couple of people who are just naturally ornery. We are talking about the life of our States. That is why it is such a vital issue.

Mr. HANSEN. I could not agree more. When I invited the Senator's comment, I simply wanted to give him another opportunity to emphasize what he has so eloquently stated already.

I was speaking about the development of our oil shale industry. We all know, because it was brought so forcibly to our attention not too many weeks ago, the precariousness of depending upon

foreign sources of oil for our national security, to the extent that I believe we all with one accord started looking to our own resources to see what we might do in order to become more self-sufficient and less dependent upon foreign sources of supply.

I pointed out—or rather Mr. Ely did, whose words I quoted—that this will require a great deal of water, that it may take three-quarters of a million acre-feet annually in order to develop the sort of oil shale operation that we must have.

He went on to point out that perhaps a third of that amount might return to the original stream in a somewhat polluted condition, and that in effect this in itself would be a consumptive use.

I repeat that simply because I think what the Senator was saying is so important that all Senators should have it impressed upon their minds a second time. That is how vital I think these considerations are.

If the upper basin States are to make the contribution that I believe they can to their own economies, to their own people, and increase as well that strength which potentially is theirs to add to the national muscle and to our national ability, we must develop these resources within the States.

There is only one way that we can develop an oil shale industry, and that is by the application of rather significant amounts of water. So, this, on top of everything else, adds to the increased demand that will certainly be placed upon the Colorado River.

Mr. ALLOTT. The Senator is entirely correct, and he has pointed out the immediacy of this whole problem which would not exist if we were merely talking about developing this for agricultural areas.

The immediacy is the population growth which is very great, as we know, and also the development of the oil shale and the development of agricultural land.

It is not for some bureaucrat downtown to decide whether agricultural land should be developed in one State to the detriment of another State.

I thank the Senator very much for his remarks.

Mr. HANSEN. As the distinguished Senator from Colorado has said, we would be foolish to rely on the development of one mineral to the exclusion of others. I would call to the attention of the Senate the recent explosion in demand for uranium minerals which the world is now experiencing. The arid plateaus of the upper basin States of Wyoming, Colorado, Utah, and New Mexico contain the world's largest known reserves of uranium ore. With the great expansion of nuclear powerplants which are proliferating this country, and with the dedication of nuclear power to many other peaceful purposes, the demand for uranium has suddenly grown very intense. Exploration, mining, and production is booming in our Western States. Obviously, water in large quantities will be necessary for the full mining and processing of this important resource. Water to support the expanding commu-

nities, which are bound to emerge on our high prairies will also be vitally needed.

I agree with the Senator from Colorado, and would only say that the development of water projects in the West must be part and parcel of an overall national policy which recognizes the necessary and, indeed, inevitable development of our many natural resources. To walk clumsily down the road, ignoring these larger policy considerations, seems to me to be a very unbecoming indulgence on the part of our National Congress.

I salute the senior Senator from Colorado. He has brought much light and reason to this debate and I am extremely proud to be associated with him here today.

Mr. ALLOTT. I thank the Senator so much for his kind words. His own contributions to this matter have been very great.

Mr. FANNIN. Mr. President, I commend the distinguished senior Senator from Colorado for much of what he has said this afternoon in regard to the needs of the basin.

I do feel that most of the basin problems the Senator has talked about are handled in the bill under consideration, S. 1004. Does the Senator consider that this bill is a violation of the compact?

Mr. ALLOTT. Do I consider it to be a violation of which compact?

Mr. FANNIN. Of the Colorado River Compact of 1922.

Mr. ALLOTT. It would not be except as to the portion of it which is based upon the Gila River, and the Senator knows the history of that as well as I do.

Colorado has always taken the position that the use of water in the Gila River and other rivers in Arizona are to be charged to Arizona, and are part of the Colorado River Basin.

In the case of California against Arizona, between those States, a different result was reached. Colorado was not a party to that lawsuit. We do not consider ourselves bound by it.

Mr. FANNIN. The Senator will agree however that section 12 of S. 1004 clearly protects the upper basin—it reads:

Rights of the Upper Basin to the consumptive use of water apportioned to that basin from the Colorado River system by the Colorado River Compact shall not be reduced or prejudicial by any use of such water in the Lower Basin.

Mr. ALLOTT. The Senator has referred to section 12 several times during the course of this debate. On what page is that?

Mr. FANNIN. Page 40, at the bottom of the page.

Mr. ALLOTT. Mr. President, I want to be very honest with the Senator about this. I think that this provision was put into the bill to try to protect the entitlement of the upper States to their share of basin water.

Mr. FANNIN. Does the Senator not agree that we are not desirous of taking any water from the upper basin to which we are not legally entitled?

Mr. ALLOTT. The fact is that the central Arizona project can never pay off except with the deferred development of the upper basin water. There is not any question about that.

There is then another very immediate situation which I discussed Friday and which I discussed very briefly again today.

Very frankly—and I am honest about this—if the central Arizona project is authorized as provided in S. 1004, I cannot see that there will be enough money in the reclamation fund in the next 20 years to build any Colorado project.

Mr. FANNIN. Let us talk about the payoff. I disagree with the statement of the Senator.

Is it not true that the Colorado River storage project is, in large measure, dependent for financial feasibility upon the revenues generated at Glen Canyon Dam, which in turn result from the flow of water through the Glen Canyon generators?

Mr. ALLOTT. The Senator is correct.

Mr. FANNIN. A large percentage—I think someone used the figure of over 50 percent—of the revenues would come from that source.

How could that revenue be provided unless sufficient water flows through those turbines?

The Senator in his statement concedes that the upper basin States must deliver 75 million acre-feet of water, regardless of what is in the river, over a 10-year period.

Mr. ALLOTT. The Senator is correct.

Mr. FANNIN. Is it not also true, in accordance with a letter of May 15, 1965, from the Secretary of Interior to Chairman ASPINALL, of the House Committee on Interior and Insular Affairs, that the studies of revenue available for the Upper Colorado River storage project are predicated upon an assumed "minimum delivery requirement averaging 8,250,000 acre-feet annually at Lee Ferry"?

This is the basis upon which the financial feasibility of the Upper Colorado River storage project was predicated.

Mr. ALLOTT. I cannot quite make out what the Senator is saying, but I do not believe it is quite accurate. From whose letter is the Senator quoting?

Mr. FANNIN. A letter from the Secretary of the Interior to Chairman ASPINALL, dated May 15, 1965.

Mr. ALLOTT. It is no wonder that I am confused, then.

Mr. FANNIN. It so happened that the Bureau of Reclamation made some of these decisions, in cooperation with Congress, as to how much water was necessary at Glen Canyon Dam so far as the financial feasibility of the project was concerned.

Mr. ALLOTT. If the Senator is saying that the upper basin States are responsible for all the Mexican Water Treaty obligation, the answer is "No."

Mr. FANNIN. I had not stated that.

Mr. ALLOTT. On the other hand the revenues of Glen Canyon Dam are apportioned by the act among the upper basin States for assistance in the construction of participating projects, a great many of which have not yet been authorized.

I say to the Senator that I hold in my hand a document from which I have quoted to him many times the summary report of the central Arizona project, for Federal payment power arrangements. And I remind the Senator that he has no

feasibility report on the 3,000-second-foot aqueduct.

Mr. FANNIN. I remind the Senator that the Bureau of Reclamation even studied a 3,800-second-foot aqueduct, and the 3,000-second-foot aqueduct was adopted as a reasonable compromise.

Mr. ALLOTT. Mr. Weinberg and his associates did not produce it at the hearings.

Mr. FANNIN. I remind the Senator that in the State of California they have an aqueduct, and it is built to carry about 1,200,000 or more acre-feet of water, and they have just allocated 650,000 acre-feet of water, paid for by the metropolitan district.

Mr. KUCHEL. By the people of California.

Mr. FANNIN. They must have thought it was a good investment, and we believe this is a good investment. If the people of California were willing to pay that for their aqueduct—

Mr. ALLOTT. Let me say this to the Senator. I refer to page 21 of the document I have just mentioned. On the central Arizona project, limited by a 2,500-second-foot aqueduct, there would be available for Arizona, in 1975, 2,142,000 acre-feet.

Mr. FANNIN. The Senator is correct.

Mr. ALLOTT. That would decrease by approximately 600,000 acre-feet to 1,538,000, in 1990. It would decrease another approximately 300,000 feet in the year 2000 to 1,238,000, and it would decrease in the year 2030 to 822,000.

Mr. FANNIN. I know that the distinguished Senator realizes—

Mr. ALLOTT. I am sorry. I got my lines crossed there. What happens is that you do start limited by a 2,500-second-foot aqueduct from 1,650,000 and you go down to 676,000 acre-feet in the year 2030. That is, provided that the upper basin is developed.

Mr. FANNIN. That assumes a 4.4 million acre-feet guarantee in perpetuity to California, and this is not the basis upon which we are planning our project. The California priority is not provided in perpetuity, under S. 1004.

Mr. ALLOTT. It is provided for 27 years.

Mr. FANNIN. The Senator is correct.

Mr. ALLOTT. I call the Senator's attention to this—and I say it in all sincerity. You cannot pay off the central Arizona project except upon the deferred development of the upper basin. The figures may alter slightly, but they will not alter that. So during the time that the deliveries are going down from 1,650,000 to 676,000, or from 2,142,000 to 822,000—whichever figure is used—the water being paid for and delivered in Arizona will be somebody's water, and it will be the water of Colorado, Utah, and Wyoming. One cannot get away from that.

Mr. FANNIN. It is no more Colorado's, Utah's, or Wyoming's water than it is water of the lower basin. It is provided for in the compact. The compact was made to protect the upper basin States from California, because they did not want California to have all the rights to the water.

Mr. KUCHEL. The Senator from Arizona is getting perilously close to a breach of the rules of the Senate.

Mr. FANNIN. We are turning back history. The Senator is trying to turn back history, so I believe we should take into consideration—

Mr. ALLOTT. I am not trying to turn back history. I am just trying to lay the facts out cold. The cold facts are as shown in every report we have. It is shown in the hearings, it is in the report on page 142, and it is in the document to which I have just referred, that as the central Arizona project is built, it starts out with a relatively high proportion of water. Frankly, I hope the Senator's State gets the project. I hope to God that happens, but I hope to God I never see the day when the project is built under the terms of the pending bill.

As you proceed in time to the year 2030, you do not have as much water. Why do you not have as much water? Because by that time, it is presumed that the upper basin States will finally have received their little dribble-drabble, and will have been able to develop their projects, and with the development of their projects, there will not be as much water for Arizona. So the only possible way in which Arizona can pay for this is with water to which the upper basin States have an entitlement, and there is no way out of it. Even Reclamation Commissioner Dominy said, "I agree."

Mr. FANNIN. I can also quote him in several places where he disagreed.

But if we take the development fund figures that were utilized in the report on S. 1004 we have \$377,302,000 surplus by the year 2025, even taking into consideration the fact that Arizona is guaranteeing California 4.4 million acre-feet. By the year 2050, we would have almost \$1.3 billion surplus that would be available in the fund.

All I wish to ask of the Senator—and I believe I received an answer—is that nothing in the pending bill, S. 1004, is in violation of the compact and nothing in the bill requires the upper basin States to do anything other than what is required by the compact.

Mr. ALLOTT. I will not agree with the presumption in the bill that the Gila waters are not accountable under the Colorado River compact. It does go against the compact; yes.

Mr. FANNIN. I read section 12 to the Senator.

Mr. ALLOTT. I know that. I also have read it. The Senator asked me a question. I am only supposed to let him ask questions. The Senator asked me a question, and I attempted to answer it. I said that insofar as that is true, I believe it does go against the compact. There are some ways in that respect that I believe it could interpret and abrogate the compact. I am frank to say that I agree with the Senator that section 12 of the bill is an attempt to prevent it.

But in the year 2030, with all this water flowing down into the central Arizona project all these years, the recovery of this water, through court means or other, will be a most difficult project. We have to bring the water back up the river to the upper basin States, which are entitled to it.

Now, does the Senator wish to ask a question?

Mr. FANNIN. The bill only provides—

Mr. ALLOTT. Does the Senator wish to ask a question?

Mr. FANNIN. Yes, I shall ask a question of the Senator.

I have in my hand a list of projects for the State of Colorado. Arizona has supported these projects over the years. Arizona has not had any project on the Colorado to work into central Arizona, such as the CAP, since 1947. I should like to present to the Senate, to be printed in the RECORD, the reclamation projects, entirely or partly within the State of Colorado, authorized since 1950; and the amount is \$972,651,500.

Mr. ALLOTT. If the Senator asks that that be printed in the RECORD, I do not object. I have not seen the piece of paper. It may not be complete.

Mr. FANNIN. Mr. President, I ask unanimous consent that the list of the reclamation projects, entirely or partly within Colorado, authorized since 1950, be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

RECLAMATION PROJECTS ENTIRELY OR PARTLY WITHIN
COLORADO, AUTHORIZED SINCE 1950

Project	Date authorized	Authorized cost
Entirely within Colorado:		
Collbran project.....	July 1952.....	\$16,086,000
Florida project.....	April 1956.....	6,963,500
Silt project.....	do.....	3,373,000
Smith Fork project.....	do.....	3,439,000
Fryingpan-Arkansas project.....	August 1962.....	170,000,000
Bostwick Park project.....	September 1964.....	4,010,000
Fruitland Mesa project.....	do.....	27,285,000
Subtotal.....		231,156,500
Partly within Colorado:		
Pine River project extension, ¹ Colorado-New Mexico.....	April 1956.....	5,080,000
Colorado River storage project (5 States).....	do.....	635,102,000
San Juan-Chama project, Colorado-New Mexico.....	June 1962.....	85,828,000
Savery-Pot Hook project, Colorado-Wyoming.....	September 1964.....	15,485,000
Subtotal.....		741,495,000
Total.....		972,651,500

¹ Later found infeasible.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to my distinguished colleague.

Mr. DOMINICK. Mr. President, I wish to congratulate my distinguished colleague on the address which he has made. The address contained an enormous amount of history and commonsense.

I was especially interested in the colloquy between my distinguished colleague and the distinguished Senator from Arizona [Mr. FANNIN] as to why Arizona would not support the amendment in the nature of a substitute which has been proposed. After all, the amendment would give them the central Arizona project, and the Senator from Arizona was a sponsor of the previous year. This was the approach suggested by the Secretary of the Interior. The proposal has the safeguards in it which we need, and the safeguards which the Senator from Arizona wants. It seems to me that we could do a great service to the Senate and to all of the seven States in our area of the Southwest if we passed the sub-

stitute as the method to go forward in solving all of our problems. Does that seem like a sensible approach to the Senator?

Mr. ALLOTT. That is exactly what we are trying to do, as I said before the Senator returned from his committee hearing. All we have to do is forget that somersaulting Secretary of Interior for a few minutes, and pick up our responsibility and exercise good judgment as Senators. There is no reason why we should not have a bill here which, in my judgment, would take a basin approach and get away from compounding the problems, which we would do with the pending bill. We would pick up our responsibilities and exercise our good judgment in the amendment in the nature of a substitute.

Mr. DOMINICK. I was disappointed not to see the names of the two Senators from Arizona on the substitute which the Senator offered. I was happy to cosponsor the measure. I notice that both of the Senators from California are cosponsors, as are the Senators from Utah. I had hoped that the Senators from Arizona would have done more. I see that they are noticeable by their lack of support for this measure.

Without being sardonic, the one thing we are truthfully looking for is a method to provide the water needed by all seven States. The approach offered in substitute of the senior Senator from Colorado, cosponsored by me and a variety of other Senators, is the approach which will bring us most closely to that goal. This is something which seems so evident to me that I am surprised that we are having extended argument in connection with it. The answer seems self-evident to me.

Mr. ALLOTT. The Senator and I followed the many, many meetings of representatives of the various States for several years. The Senator from Arizona is aware of these meetings also because he was the Governor of his great State. I had hopefully looked forward to this seven-State development plan which I thought would solve and go a long way towards solving many of the problems there. It seems to me that with S. 1004 we are treading backward now as fast as we can.

Mr. DOMINICK. I fully subscribe with the statements of the Senator.

Mr. FANNIN. Mr. President, will the Senator yield for a further observation?

Mr. ALLOTT. I yield.

Mr. FANNIN. Mr. President, the Senator talked about the bill and certainly covered it eloquently. However, I wish to ask the question again: What happened to the bill in the House of Representatives? Was it not held up because it had a controversial dam; and the bill is not being carried forward in the House of Representatives at the present time, nor is there any indication it will be. I shall answer by saying we must have legislation, not debate.

Mr. ALLOTT. This bill might still have been possible if the Secretary of Interior, who is from the Senator's State, had not made the unfortunate statement that this bill is a gun pointed at the Northwest.

Mr. FANNIN. I thank the Senator.

Mr. MOSS. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. MOSS. Mr. President, I wish to congratulate the Senator from Colorado on his excellent speech today. The Senator is a public servant who has devoted years of his life in connection with these problems not only in the Senate but also in his State legislature in Colorado before he came here, and as a practicing attorney. The Senator has brought a wealth of experience to this problem which is common to his State, my State, and all of the States of the Southwest.

After listening to the Senator's speech today, and after giving it careful consideration, as anyone concerned with the long-range development of that entire region would, I agree that the reasonable solution would be the amendment that the Senator proposed, amendment 214. I am very pleased to be a cosponsor of the Senator's amendment.

I believe the Senator's amendment embodies the principles on which we have had agreement. At least at one time we had agreement among the representatives of all the States in the Colorado River Basin; and, except for one small vocal element, we had support of the vast majority of those people.

I believe the Senator has performed a great service here today in bringing this matter clearly and forcefully to the attention of the Senate. I hope that the Senator's speech will be carefully read, and considered by Senators because we are at a rather crucial point. If we abandon this degree of cooperation we had attained in the agreement among the States and suddenly fracture ourselves into groups that cannot agree, we are beginning along a perilous course that will lead to endless difficulties and probably would spell the doom of any central Arizona project in this session of Congress or probably in a subsequent session of Congress.

I wish with all of my heart that this problem can be solved, as does the Senator from Colorado. My heart aches for Arizona because Arizona needs its water desperately.

Mr. ALLOTT. And needs the cooperation of the other six States in the basin.

Mr. MOSS. And needs the cooperation of the other six States in the basin, and in developing it under a system whereby all may equitably share in their rights to the water. We must share the water there and the sine qua non is to have enough water to pass around, and enough water in the river.

I congratulate the Senator and I am happy to associate myself with him in his statement and in his amendment.

Mr. ALLOTT. I thank the Senator because his contributions in the Chamber and in committee in the development of the legislation which has been offered have been very considerable.

In conclusion, Mr. President, I think that one of the basic subjects that the Senator from Utah discussed so well was that the superactivism of the superconservationists and preservationists in the country is the only reason we did not have a bill passed by the House of Representatives last year. It is simply lamentable. Certainly with the power of

the Senators, both for and against the bill, the respect in which the senior Senator from Arizona [Mr. HAYDEN] is held, and with a unified approach we could have passed the bill. If we did not cash in our chips to a few lobbyists, this amendment would give us an opportunity to reaffirm ourselves in the passage of really meaningful legislation. I thank the Senator.

Mr. President, I yield the floor.

Mr. KUCHEL. Mr. President, last Friday our able colleague, the Senator from Arizona [Mr. FANNIN], placed in the RECORD sundry prepared memoranda concerning the Colorado River controversy on which I wish to make a few comments.

On page S10928, the memorandum entitled "Increase in Hoover-Parker-Davis Power Rates After Payout," inserted by the Senator from Arizona, discusses the power rates for the Hoover and Parker-Davis projects, part of which I am going to read. I refer to the last paragraph on page S10928:

The Lower Colorado River Basin Development Fund, established by this section, follows generally the precedent of the Upper Colorado River Basin Fund established by the Colorado River Storage Project Act. The Lower Colorado River Basin Development Fund, unlike the Upper Colorado River Basin Fund, does not include the apportionment of net revenues among the States concerned. There is good reason for this difference. The fundamental water supply problem in the lower basin is one of insufficiency rather than of underdevelopment. Hence interests of the lower basin States will best be served by using net revenues accruing to the fund to assist in the repayment of costs of projects to be authorized to augment the basin's water supply. An apportionment of revenues for use within each State might, therefore, impede further than assist development.

Mr. President, I do not know whether, by inserting a memorandum which includes this language, our able friend from Arizona adopts this language as a reflection of his own position. But simply for purposes of emphasis, I repeat a sentence or two from which I have just read:

Hence interests of the Lower Basin States will best be served by using net revenues accruing to the fund to assist in the repayment of costs of projects to be authorized to augment the basin's water supply.

If the Senator from Arizona does agree that the words he has inserted in the RECORD reflect his position, then his position and my position are identical, because that is precisely the basis upon which some Senators—Democrats and Republicans—have urged the substitute now pending before the Senate.

The fact is, Mr. President, that when the administration's bill, offered by the two Arizona Senators, has been accurately referred to as "a bill to shuffle shortages." Every competent witness has testified that there will be more water, not less, needed in all the States, from the headwaters of the State of Colorado to all seven States through which the Colorado River runs.

I simply want the RECORD to show that to that extent, to the extent that my able colleague believes that "interests of the lower basin States will best be served by using net revenues accruing to the

fund to assist in the repayment of costs of projects to be authorized to augment the basin's water supply," I am happy that his position and mine are identical.

At any rate, the bill on which he has placed his name does not adopt that philosophy.

Mr. President, we in California have never objected to the idea that Hoover power rates might eventually rise to finance augmentation of the river's water supply. That is, of course, the precise thinking behind the language in this memorandum.

However, 82 percent of the Hoover power is sold for use in California and Nevada, and we see no earthly justification for a hike in rates solely to subsidize an otherwise financially infeasible central Arizona project. The Department's present plan is to raise Hoover rates 48 percent to pump money into the central Arizona project.

That is what they say, and I am going to place the letter in the RECORD, in a moment, in which they say it to us. The Assistant Secretary of the Interior has said that, the power users will have their rates hiked by almost 50 percent—48 percent, to be scrupulously accurate.

Mr. President, I ask unanimous consent that a letter to me from Kenneth Holum, Assistant Secretary of the Interior, detailing the impact of the Secretary's plan on Hoover power customers be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HON. THOMAS H. KUCHEL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KUCHEL: The following is an elaboration of the information we gave at the Executive Session of the Senate Interior and Insular Affairs Committee on June 22 concerning Hoover power rates.

The average mill cost per kilowatthour to allottees for Hoover Powerplant firm energy is not constant but varies from year to year depending upon yearly power generation. The average for the past several years was about 2.7 mills per kilowatthour. In 1966 the average was 2.71 mills per kilowatthour. Further, the average also varies among contractors depending upon the cost of generating machinery and switchyard facilities for which each power allottee is separately responsible. For 1966, although the average for all contractors was 2.71 mills per kilowatthour, the average for individual contractors was as follows:

[Mills]	
City of Burbank.....	2.09
City of Pasadena.....	2.09
State of Arizona.....	2.62
California Electric Power Co. ¹	19.25
Metropolitan Water District.....	2.08
City of Glendale.....	2.08
City of Los Angeles.....	3.32
State of Nevada.....	2.88
Southern California Edison Co. ¹	4.20
Energy reserved for United States.....	3.06

¹ These organizations have now been merged and consolidated.

In our studies involving the proposed Lower Colorado River Development Fund, we have assumed that the average cost to contractors per kilowatthour for Hoover firm energy after payout would be 4.0 mills, or a 48 percent increase over the average of 2.7 mills over the last several years. Although a rate schedule to apply after payout has not been derived, nor are we in a position to state

what the cost to any one customer will be after payout, a mathematical application of the percentage relationship between the present 2.7-mill average and the assumed 4-mill average after payout, indicates that the cost to Metropolitan Water District would be 3.1 mills per kilowatthour compared to its 1966 average of 2.08 mills per kilowatthour.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

Mr. KUCHEL. Mr. President, let me explain the concern of Californians over

the new central Arizona financing scheme. We have printed the Secretary's financial analysis as an appendix to the minority views on this legislation. I ask unanimous consent that a portion of that analysis showing the balance in the basin fund and the reliance on Hoover and Parker-Davis revenues be printed in the RECORD.

There being no objection, the excerpt from the analysis was ordered to be printed in the RECORD, as follows:

	Surplus revenues for development fund				III. Net revenues to development fund	
	Hoover		Parker-Davis		Net revenues to development fund	Cumulative balance in development fund
	Kilowatt-hours	Revenue	Kilowatt-hours	Revenue		
	Millions	Thousands	Millions	Thousands	Thousands	Thousands
1973						
1974						
1975						
1976						
1977						
1978						
1979						
1980						
1981						
1982						
1983						
1984						
1985						
1986						
1987						
1988						
1989						
1990						
1991	3,873	\$11,992				
1992	3,873	11,992				
1993	3,873	11,992				
1994	3,873	11,992				
1995	3,873	11,992				
1996	3,873	11,992				
1997	3,873	11,992				
1998	3,873	11,992				
1999	3,873	11,992				
2000	3,873	11,992				
2001	3,745	11,480				
2002	3,745	11,480				
2003	3,745	11,480				
2004	3,745	11,480				
2005	3,745	11,480	1,151	\$3,793		
2006	3,745	11,480	1,151	3,793		
2007	3,745	11,480	1,151	3,793		
2008	3,745	11,480	1,151	3,793		
2009	3,745	11,480	1,151	3,793		
2010	3,745	11,480	1,151	3,793	\$8,152	\$8,152
2011	3,660	11,140	1,151	3,793	21,442	29,594
2012	3,660	11,140	1,151	3,793	21,426	51,020
2013	3,660	11,140	1,151	3,793	21,407	72,427
2014	3,660	11,140	1,151	3,793	21,414	93,841
2015	3,660	11,140	1,151	3,793	21,400	115,241
2016	3,660	11,140	1,132	3,704	21,314	136,555
2017	3,660	11,140	1,132	3,704	21,294	157,849
2018	3,660	11,140	1,132	3,704	21,274	179,123
2019	3,660	11,140	1,132	3,704	21,286	200,409
2020	3,660	11,140	1,132	3,704	21,277	221,686
2021	3,580	10,820	1,132	3,704	20,937	242,623
2022	3,580	10,820	1,132	3,704	26,140	268,763
2023	3,580	10,820	1,132	3,704	35,202	303,965
2024	3,580	10,820	1,132	3,704	37,380	341,345
2025	3,580	10,820	1,132	3,704	37,361	378,706
Total	130,680	400,220	23,981	78,763	378,706	378,706

Mr. KUCHEL. Mr. President, as you can see, the Secretary himself admits that there will not be a cent in the development fund until the year 2010. That is a long time from now, Mr. President. It is also a long time after the water shortage in the Pacific Southwest will have become critical. If we then crank in the errors in the Secretary's analysis, we see that the central Arizona project will consume nearly another \$200 million of Hoover and Parker-Davis revenues, delaying for another decade the day when the basin fund will finally begin to accumulate any money to bring new water into the basin. Mr. President, I ask unanimous consent that a portion of the minority views on S. 1004 which explains the errors in Secretary Udall's financial analysis be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PUFFING THE BASIN FUND

On June 26, 1967, the Department of the Interior provided Senator Kuchel with financial tables reflecting development fund income and disbursements which will accrue under S. 1004 as reported. A copy of Secretary Holm's letter and accompanying tables is attached as appendix C to these views.

Secretary Udall predicts gross development fund revenue over the payout period of \$2,261,352,000 and deductions of \$1,882,646,000, leaving a balance of \$378,706,000 in the fund by the year 2025. Careful study of the Secretary's table reveals:

1. The balance in the fund by 2025 is overstated by \$173,203,432.
2. There will be no balance whatsoever in the fund until 2018.

3. Raising the main aqueduct size to 3,000 cubic feet per second adds \$177,147,000 to the project costs. There will be no water to fill the inflated aqueduct unless it is drained away from the upper basin, diminishing the prospect of filling Lake Powell.

4. The tables fail to disclose the possible additional \$100 million drain on the fund for distribution and drainage systems in Arizona.

GROSS OVERSTATEMENT

The Secretary's estimate of \$2,261,352,000 of gross revenue to the basin fund cannot increase unless the rates for the sale of water and power, or the quantities which he estimates will be sold, change. But his estimate of deductions, \$1,882,646,000 is misleading; it can and must change, and change upward only. The Department based its estimates of project costs on 1963 prices. There has already been a rise of 9.2 percent in the cost index (he ignores it), which would result in increasing the deductions from the development fund by \$173,203,432, as of A.D. 2025, even if there is never any further increase in construction costs—a most unrealistic assumption. As the cost index rises higher in future years, this incremental cost, hence these total deductions, will also rise. If the balance in the development fund were corrected to reflect increased construction cost, by the end of the payout period it could be not over one-half of the \$378,000,706 claimed by the Secretary. The proposed new \$30 million Dixie project drain on the development fund further reduces the balance in A.D. 2025.

The Secretary admitted that there will be no net balance in the development fund until the year 2010. When corrections for even present (1967) costs and the Dixie project deficit are incorporated into the calculations, the Secretary's table shows that the fund will be empty until at least 2018, or 51 years from now.

Obviously, the financing scheme which has been injected into the bill kills off any possibility that a fund will be created to mitigate the water crisis in the Colorado River Basin. The basin needs more water before 1990, but for half a century (until at least A.D. 2018) there will not be a single cent in the development fund for use to defray any costs other than Central Arizona Project costs.

DISTRIBUTION AND DRAINAGE FACILITIES

Section 16 of S. 1004, as approved by the committee, would authorize the appropriation of \$768 million (1963 prices), plus a wholly new item: \$100 million for construction of distribution and drainage facilities for non-Indian lands.

The Department insists that it is not contemplated that this added \$100 million would be paid out of the development fund. However, S. 1004 makes no provisions at all for their repayment from any other source, and clearly allows their repayment from that fund. Thus, section 2(a)(9) authorizes construction of "related water distribution and drainage works" as a part of the Central Arizona Project, and section 5(f)(1) authorizes disbursement of money from the development fund to return "the costs of the project or separable feature thereof, authorized pursuant to section 2." Were the Secretary to use this authority, a further \$100 million burden would be thrust upon the Hoover, Parker-Davis rate payers. As the prices for irrigation water, \$10 per acre-foot, and for municipal and industrial water, \$50 per acre-foot, are said to be limited to those amounts by the user's capacity to pay, it is obvious that they could not pay an added \$100 million, and that the power users (82 percent in California and Nevada) must do so via the development fund. There goes another \$100 million from the vanishing dream of a fund to finance the addition of new water to the Colorado River.

Mr. KUCHEL. Mr. President, at the end of the payout period, it is now pos-

sible to predict a maximum of \$175 million, not \$378 million as the Secretary would have us believe, and not the billions needed to augment the river's water supply.

Of the \$478 million of Hoover and Parker-Davis revenues pumped into the fund, a meager \$175 million remain for the purpose of augmentation after satisfying the ravenous appetite of the "stripped down" central Arizona project.

Mr. President, I really regret that the second insertion in the *RECORD* of my good friend from Arizona last Friday, on page S10930, describes the State which I have the honor to represent in rather inelegant tones.

The truth is that each of us is honored to represent one of the States in our American Union.

I come from a State which has had phenomenal growth. Many people came there from across the seas, back in the days of the gold rush. At that time, it was a kind-of sleepy area in our country. But people had vision. The city of Los Angeles began to grow, at the turn of the century, and I doubt very much that we should heap scorn or ridicule upon public-spirited citizens in Los Angeles and the State of California who sought to bring water to this semiarid part of the United States.

I rather think that when "Profiles in Courage" are fully explored, we will not find one U.S. Senator more singularly responsive to the public good than my late predecessor, Hiram W. Johnson, who stood on the floor of the Senate, year in and year out, battling for Hoover Dam. Where did the opposition come from? It came from people who represented our good neighbor, the State of Arizona.

Finally, the Senate passed a bill. The House did likewise. One of the great engineering marvels of modern times was built on the Colorado River. It is called Hoover Dam today.

Subsequently, the people of Arizona, as they had a right to do, said they would like to approve the Colorado River Compact, which the other six States had adopted. I am glad they did, because, in a very real sense, the futures of both of those States are locked together. In fact, the futures of all of the Colorado River Basin States are locked together.

There is no need in this debate to re-explore the amazing bitterness and antagonism which took place in water controversies in years gone by. I suppose the history of water fights has been common to Western America. At any rate, the representatives of the government of Arizona, the representatives of the government of California, and the representatives of the national administration met here together 2 years ago, and, lo and behold, they were able to develop an agreement.

As the distinguished Senator from Colorado iterated on the floor earlier today, the Governor of every Colorado River Basin State gave his amen to the proposal which was agreed upon to build the central Arizona project, to provide a means by which the moneys to build it would be available, to provide the means for monies to study water augmentation to be available, and, incidentally, to recognize in Arizona, Nevada, and California

a priority of right in favor of existing uses, except that in the case of my State the existing uses would be protected, not at the rate of 5.1 million acre-feet a year, which are being consumed now, but at the reduced rate of 4.4 million acre-feet, to which the legislature of my State was compelled by Congress to agree to limit itself and to which it did so limit itself by statute.

Why that agreement has been torn up and thrown away. The Lord only knows why, but because it was thrown away, because the representative of this administration downtown, the Secretary of the Interior, completely abandoned what he agreed to in the past, we have this regrettable controversy on the floor of the Senate today.

If the Senate proceeds to pass the bill today, I doubt very much if it will ever travel through the other body and down to the White House. That in itself is a shame. Mr. President, I believe in cooperation. I believe in the old aphorism that democracy is the art of the possible. Surely, we had achieved not simply the possibility, but the probability, of marching forward together in friendship and as good neighbors until this legislation was announced last fall by the distinguished Secretary of the Interior.

I hope that the substitute may be adopted.

Now I yield to my able friend from Arizona.

Mr. FANNIN. I think the distinguished senior Senator from California. I would say that I, too, wish to have cooperation. I know that we can look back over the history of this legislation, not in this session of Congress or in the last session, but back over the years. Bills were passed by the Senate in 1951 and 1952 which would have provided water for Arizona. When it got to the House, as my colleague well knows, it was opposed because California contested our right to water on the river. So the problem was sent back to us to try to work out an agreement with California. We were unable to work out a program. It resulted in a lawsuit which lasted 10 years. So Arizona was delayed not only in the beginning, but it has been delayed because of unfortunate delays in court. One of the masters passed away.

This has been a great problem for our State. In the meantime, each year we used more and more of our underground water, which had been accumulated underground over millions of years, and probably will never be replenished. So we seek legislation which would accomplish the objectives not only of the State of Arizona, but of all the basin States. I feel this legislation will do it.

The Senator from California mentioned the development fund contained in S. 1004.

Although the central Arizona project more than pays for itself by contributing \$314,848,000 to the net surplus of the development fund by the year 2050, a basin development fund is, nevertheless, needed in the early years to provide financial assistance in the amount of approximately \$76 million to the central Arizona project, and \$30 million to Utah's Dixie project. The development

fund included in this legislation will provide such assistance.

However, the principal purpose and basic long-range use of this development fund is to augment the water supplies of the lower basin of the Colorado River—and to make better and more efficient use of existing supplies. In discussing this long-range purpose of this sizable fund, the majority of the committee said:

Upon further authorization by the Congress the revenues in the development fund will be available for use in connection with construction and operation of other projects, desalinization plants—

At this time I want to pay tribute to the State of California and its very capable Senator for pushing that program for desalinization of seawater at the rate of 150 million gallons of water—

weather modification programs, watershed improvement and control, salvage operations, and purification of sewage effluent for reuse, and other programs designed to augment the flow of the river, conserve its water resources, and contribute to future basin development.

These specific items referred to by the committee all relate to the water resources of the Lower Colorado River Basin itself, as opposed to the possibility of large transmountain diversions from the other basins. The people of any river basin, including the lower basin, should, as a matter of fact, fully explore their own water resources before attempting to inaugurate a program for large transmountain diversions—and this is what is being done today in the lower basin even without the benefit of the proposed development fund.

Arizona did seek the approach the Senator has talked about, but, as I have stated many times before, we failed and the other States we worked with failed to get legislation passed.

Congress recently authorized a non-reimbursable appropriation to assist the people of southern California with construction of a large-scale desalination plant which will provide enough municipal water for a city of 750,000 people.

I refer to the desalination plant, but, of course, private enterprise furnished the bulk of the funds. I think it was a wise move, and I am sure it will benefit not only the State of California but the Nation.

Desalination may or may not be the answer to the Southwest water plans, but it is in the process of being fully explored, and such exploration should be fully continued.

I know the Senator is aware of the program that has been carried on in my own State in relation to weather modification. Optimistic reports are coming in with reference to the Interior Department's weather modification program. There is high hope that this program soon will provide answers.

A large experimental program has been underway for the past several years on the 13,000 square mile Salt River reclamation project to improve the runoff on this important watershed. This is a watershed from which annual runoff has progressively decreased over the last 50 years notwithstanding the fact that the

average rainfall has remained about the same.

Salvage operations in general hold promise of providing additional water for the lower basin, but one of the most important—and perhaps the most effective program now underway relates to the purification of sewage effluent for reuse. Thousands of acre-feet of reclaimable and reusable water are today going to waste in all States—including the lower basin States—and particularly in the thickly populated areas of southern California. This waste should not be permitted to continue, and the lower basin development fund is in part dedicated to a program leading to the purification of sewage effluent for reuse.

These are programs beneficial to all States of the basin and programs which should be financed by a basinwide development fund. These are programs which the Department of the Interior should promptly inaugurate—and which the Congress should promptly authorize.

We are working together, and this bill will make it possible to go even further.

Mr. KUCHEL. Let me make a comment. In answer to the Senator's point about desalination, the record must be clear: Congress did not authorize financial participation in the desalination program of the city of Los Angeles, and certain public and private agencies there, as nonreimbursable assistance to California. It did it because it conceived that to the extent it participated, there would be a Federal benefit, to all of the people of America, in technical skill and know-how developed in this unique venture.

The cost of the whole project will be roughly half a billion dollars, and the federally authorized contribution is only \$72 million.

Mr. FANNIN. I wholeheartedly agree with the Senator from California. We are very fortunate that these firms were willing to take upon themselves the cost of this program which, if it had not been performed, would have been an obligation of the Federal Government.

Mr. KUCHEL. I think we should also make it clear that there is going to be a need to put the funds coming in from the Hoover and Parker-Davis projects from electricity users to work, not for California, but for augmentation of the entire basins water supply.

I introduced a bill, as the Senator knows, to authorize construction of the central Arizona project last year. It is word for word and comma for comma what Representatives from Arizona introduced in the House of Representatives and word for word what I believe over 30 members of the delegation, Republican and Democratic, from California, introduced last year.

With respect to the fund that it created out of revenues from Hualapai, Marble, Hoover, and Parker-Davis, powerplants that approach provided that the moneys in fund be used for river augmentation.

The fund provided for in the bill to which the Senator has given his good name, which will come from Hoover, and Parker-Davis Dams, will be committed for the purpose of funding the central

Arizona project until some time after the first or second decade of the next century; is that not correct?

Mr. FANNIN. No, that is not correct. The Senator is certainly a very capable attorney; I am not an attorney, but I think if the Senator will check up on this, he will find that other projects could be authorized from the funds in the development fund, within the 50-year period.

Mr. KUCHEL. Oh, certainly, if Congress will come in and change it, and the Dixie project in Utah will get some \$30 million of these revenues.

Mr. FANNIN. No further authorizations would be in accord with this legislation.

Mr. KUCHEL. Mr. President, the list that I had has been taken by the reporter, but before we get around to a vote, I shall comment on that. Just one further point, and then I shall try to lay my hands on it.

Is it not also true that the Senator's bill protects existing uses of water in Arizona against any new use in time of shortage, but does not apply that same rule to existing uses in California? Do I make a correct statement?

Mr. FANNIN. I will just say that we follow a similar arrangement which is followed in California, with its "seven-party agreement."

Mr. KUCHEL. The Senator did not answer my question.

Mr. FANNIN. I say that that is an intrastate matter, and not an interstate matter. We are not quarreling with what California does with its water in its State. Neither do we think California should supervise what we do with respect to the division of water in our State. We did not enter into the seven-party agreement in California; we do not expect California to enter into agreements we may have in our State.

Mr. KUCHEL. I state most respectfully that the Senator's statement, in my judgment, is not responsive to my question, and I want—

Mr. FANNIN. No, I will say the bill provides, as far as the rights—

Mr. KUCHEL. Is it not true that the Senator's bill grants priority to existing uses of Colorado River water in the State of Arizona over new uses contemplated by the Central Arizona project?

Mr. FANNIN. Yes, as does California, by its seven-party agreement.

But, as I say, that is not the basis for the central Arizona project. We are not trying to tell you how to divide your 4.4 million acre-feet of water.

Mr. KUCHEL. That is the opinion of the Senator from Arizona, but it is not the opinion of the Senator from California. The fact is that existing uses of Colorado River water in Arizona are protected over new uses of Colorado River water in Arizona, but existing uses of Colorado River water in California are not so protected. Is that not true?

Mr. FANNIN. No. Arizona is not trying to dictate what you do with your 4.4 million acre-feet in California.

Mr. KUCHEL. Mr. President, I have here a table prepared from the Department of the Interior's data, which I inserted in the Record a few minutes

ago. It shows the surplus revenues for the development fund, as contemplated in the Senator's bill. I respectfully suggest that this table shows that not until 2010 would there be any cumulative balance in the development fund available for any other purposes, and at that time only \$8 million.

Mr. MAGNUSON. Mr. President, there can be no doubt that the State of Arizona is faced with the number of water problems that it is, because its people can no longer rely on ground water for their needs. I have long supported Senator CARL HAYDEN in his efforts to obtain authorization for the central Arizona project so as to insure that Arizona can receive water to which it is legally entitled. As long ago as the 81st and 82d Congress, Senator HAYDEN was instrumental in gaining Senate approval for the project.

However, the legal argument over proportioning of the Colorado River water held up further congressional consideration of the project until the U.S. Supreme Court, in a 1963 decision, established Arizona's legal rights to additional Colorado River water. If the State of Arizona is to make use of this water which is rightfully hers, under the Arizona against California case, this project is necessary.

Arizona's need for the central Arizona project reflects the problems inherent in developing land which is semiarid. But our concern with water supply can no longer be this limited. Water problems are national problems. Pollution, waste, drought, and floods have become national calamities.

The Senate and House have recognized the national scope of our water problems by voting to approve S. 20, to establish a National Water Commission. I am proud to have cosponsored that bill with Senator JACKSON—a leader in this field.

The duties assigned to the National Water Commission reflect the national scope of water problems. The Commission is to establish projections of water requirements and identify the alternative ways of meeting these requirements. Consideration must be given conservation, more efficient use of existing supplies, increased usability by reduction of pollution, interbasin transfers, desalting, weather modification, and waste water purification and reuse.

This is a large assignment, but it is necessary if we are to bring order out of chaos in our quest for solutions to future water resource problems.

There can be no doubt that immediate approval of the Arizona project is necessary, in order to slow the pace at which ground water resources in the central Arizona area are being exhausted. But I am concerned with the scope of some of the objections to the bill raised by its opponents.

These opponents would have Congress tell the National Water Commission that it is to give highest priority to plans and programs for the relief of water shortage in the Colorado River Basin. In addition, the Secretary of Interior, under the direction of the National Water Commission, would be directed to investigate sources of and means to augment

the Colorado River water supply including importation from outside sources.

Mr. President, I find it quite inconsistent, to establish a National Water Commission which is to determine where and what type of water shortage exists and then, to suggest, what its first order of business must be. Before the Commission has even had an opportunity to determine if there is a water shortage in the Colorado Basin, we would be telling it to plan water importation.

The National Water Commission, as envisioned in S. 20, has a number of alternatives to consider in establishing national water policy. Weather modification and desalination must be fully considered. The Commission must also consider economic and social consequences of water resource development, including such things as regional economic growth and environmental influences. If a group of experts is to be established, then we should rely upon their expertise to develop the priorities in finding solutions to our national water resources problem.

I am, therefore, opposed to attaching Water Commission and importation provisions to a bill authorizing the central Arizona project. Arizona has an immediate need for this project. The question of augmentation of existing waters is a long-range water supply problem which must be left to the National Water Commission to handle as part of its overall studies.

Mr. President, the people of the Northwest are concerned with the possibility that short-range solutions will be permitted to prevail in water resource programs. While they fully support Arizona in its attempts to procure that water to which it is legally entitled, the Northwest is not ready to accept the idea that interbasin transfer studies are a necessary part of this project.

I commend Senator JACKSON, Senator HAYDEN, and the other members of the Interior Committee for the diligent work they have obviously done in developing a realistic remedy for Arizona's water problems. The Senate should follow the committee recommendations and pass the bill as reported.

Mr. HART. Mr. President, I intend to vote for S. 1004, and I do not want to offer any amendment which would in any way impede its course through the Congress.

However, I am aware that the deliberations of this body with respect to the central Arizona project bill are being followed closely by natural resources conservationists in my State of Michigan and throughout the Nation.

These conservationists are pleased to note, in the bill recommended to the Senate by its Interior Committee, and upon which we are about to vote, the absence of authorizations for dams within the Grand Canyon of the Colorado River. The bill now takes into account the need to preserve unspoiled some of this region's natural attractions, as well as the need to provide water and power for its thirsty communities and industries.

Senators will note that the next logical steps toward the permanent preservation of the Grand Canyon—one of the true

wonders of the world—may well include expansion of the boundaries of Grand Canyon to include within the park the Marble Gorge and Bridge Canyon—Hualapai—damsites and the designation of all but the developed portions of this expanded park as a unit of the national wilderness preservation system.

Senators should realize, however, that S. 1004, as now being considered by this body, includes provision for the construction of a dam, the construction of which will bring about the first violation of the national wilderness preservation system established by the Congress just 3 years ago. I am informed that this aspect of the central Arizona project bill, authorizing the construction of Hooker Dam on the Gila River in New Mexico, is opposed by conservationists across the Nation.

The Gila Wilderness Area was the first unit of wilderness to be dedicated for preservation within the national forests, some 43 years ago. The area was given what was thought to be permanent protection with the passage of the 1964 Wilderness Act. Will this principle—that units of the national wilderness preservation system are truly to be permanently protected—be shown to the American public to be a myth, so soon after Congress has set its wilderness-preservation policy?

While it is true that the effect of Hooker Dam on the Gila Wilderness would be to flood out one scenic river-bottom access route for 7 to 9 miles into the dedicated area and that only a few hundred acres of the wilderness area would be directly affected, the precedent set by such an action could set the stage for requests for intrusions into other wilderness areas across the country. Ski tows, new highways, flood control, and reclamation dams, communication towers—Congress would be subject to requests for all manner of incompatible developments within this last 2 percent of our Nation that remains wild and unchanged by the hand of man.

This unfortunate precedent should be avoided if at all possible. Before enactment of this measure by the House of Representatives, I urge that every possible step will be taken to assure that a comprehensive investigation of all alternative damsites is conducted—including the detailed study of the so-called Connor site, 25 miles below the Hooker site, on the Gila River. I would hope we could provide for the construction of a water storage project which will in no way intrude upon the Gila Wilderness Area or the contiguous Gila Primitive Area, as the boundaries of these areas are now defined.

To ignore this troublesome aspect of the central Arizona project bill would be to ignore the 8 years of congressional debate and refinement which went into the 1964 passage of the parent Wilderness Act. Let us not begin to tear down now the wilderness system structure so carefully constructed during those years.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. ALLOTT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, I urge the Senate to reject amendment No. 214 in the nature of a substitute to S. 1004 which has been offered by the senior Senator from Colorado.

In my judgment, the amendment is not in the national interest. The amendment contains almost exactly the same language as is found in H.R. 4671, the bill introduced in the House of Representatives in the 89th Congress. This bill was amended in the House Interior and Insular Affairs Committee and ordered reported. As Members of the Senate are aware, the proponents of that bill did not bring it on the floor of the House last year.

The amendment would authorize the Hualapai Dam. This dam is not needed for the purposes of this bill. Under S. 1004, the central Arizona project requires no assistance from new hydroelectric projects. Dams have been proposed solely as "cash registers," not as "cash registers" for the central Arizona project, but as a source of revenue to finance a massive interbasin water transfer program that has not even been considered or authorized by the Congress.

Construction of Hualapai Dam would cost an additional \$529 million.

The total cost of the projects authorized by the amendment exceed \$1.6 billion. This is one-half of a billion dollars more than the cost of projects authorized by S. 1004. In addition, this amendment directs the Secretary to undertake studies with the objective of authorizing water importation works of vast size at a cost of billions. Rough estimates add up to a potential cost of \$20 to \$30 billion.

In February the Senate passed legislation to establish the National Water Commission. The House also passed this legislation a few weeks ago. The purpose in enacting this legislation was to establish an impartial and objective Commission charged with the responsibility of undertaking an assessment of the Nation's, including the Southwest's, water problems. This assessment would include studies of the merits of importations and other alternatives in the management of our Nation's water resources. Until these studies have been made, we are in no position to authorize other studies committing the Nation to a continental water transportation scheme. We are in no position to authorize in this bill one-half of a billion dollars for a dam for the sole purpose of financing such a scheme.

The pending amendment was rejected by the committee on a vote of 12 to 4.

I urge the Senate to reject the amendment.

Mr. KUCHEL. Mr. President, I regret with all my heart that the chairman of the Committee on Interior and Insular Affairs should oppose the substitute, par-

ticularly using the arguments which he has just given us.

He refers to the bill—and I think I quote him accurately—as “a continental water transportation scheme.”

Mr. President, this, after all, is a Nation of States. There is a national responsibility. If there is in this country any area which has resources, such as water, surplus to its present and future needs, is it not in the national interest to make that surplus commodity available to a parched area which, without supplemental water supplies, will return to the desert?

The legislation in the nature of a substitute, offered by the distinguished senior Senator from Colorado and others of us, represents an agreement of the Federal Government and of each of the State governments of the seven Colorado River Basin States, arrived at by painstaking negotiation, study, and compromise.

The chairman of the Committee on Interior and Insular Affairs suggested that a cash register in the nature of a \$500 million plus undertaking should not be approved in the pending bill. His administration recommended it until a very few months ago, when the administration changed its position completely. His administration said that it was in the public interest for the Government to construct a dam and bring into a development fund the moneys necessary to find supplemental water supplies.

This substitute is not a hastily drawn, politically motivated, weak alternative. The substitute bill was essentially the bill introduced by Democrats and Republicans alike in the House and in the Senate, with the backing of the administration of the present occupant of the chair last year. It can pass the Senate today by an overwhelming vote, and it can pass the House of Representatives, also.

I heard a Senator say in the debate earlier, “Well, it is true that this bill was approved by the House Interior Committee last year, but you could not get a rule on it.” Well, why give up and roll over and play dead because you happen to lose one battle? I referred to the fight in Congress years ago with respect to the building of Hoover Dam. The proponents of Hoover Dam lost year in and year out, and finally they won. And the great regional approach which was developed and unanimously agreed to should be the basis for the good people of Arizona and their Senators and Representatives, and the good people of every one of the Colorado River States, including my own State, and their Senators and Representatives, to come together and pass the legislation now pending before the Senate.

I hope the Senate will approve the substitute.

The PRESIDING OFFICER (Mr. Spong in the chair). The question is on agreeing to the amendment. On this question the yeas and nays have been ordered.

Mr. ALLOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 206 Leg.]

Aiken	Hayden	Metcalf
Allott	Hickenlooper	Miller
Bartlett	Hill	Mondale
Bible	Hruska	Monroney
Boggs	Jackson	Montoya
Burdick	Jordan, N.C.	Morton
Case	Jordan, Idaho	Murphy
Church	Kuchel	Nelson
Cotton	Lausche	Scott
Curtis	Long, Mo.	Spong
Fannin	Magnuson	Talmadge
Hansen	Mansfield	Tower
Hatfield	McCarthy	Young, N. Dak.

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, the following Senators entered the Chamber and answered to their names:

Bennett	Hart	Percy
Brewster	Holland	Prouty
Brooke	Hollings	Proxmire
Byrd, Va.	Inouye	Randolph
Byrd, W. Va.	Javits	Ribicoff
Cannon	Kennedy, Mass.	Smith
Carlson	Kennedy, N.Y.	Sparkman
Cooper	McClellan	Symington
Dirksen	McGovern	Thurmond
Dominick	McIntyre	Williams, N.J.
Ellender	Morse	Williams, Del.
Ervin	Moss	Yarborough
Fong	Mundt	Young, Ohio
Gruening	Muskie	
Harris	Pearson	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment of the Senator from Colorado.

Mr. ALLOTT. Mr. President, we have been discussing this bill and the amendment for three days now. Unfortunately, I do not think too many Senators have been in the Chamber. Therefore, I want to state it is my intention to explain the situation very briefly—and I do mean very briefly—and then, so far as I am concerned, we will be ready to vote.

First of all, I should like to answer the statement made by the distinguished chairman of the committee a while ago, when he discussed the cost of the Hualapai Dam. I have forgotten the exact figures he used, but the figures I have from the Bureau of Reclamation indicate that it will cost approximately \$540 million. The pending amendment calls also for a study of the so-called Goss proposal which instead of producing 1½ million kilowatts would produce 5 million kilowatts, in which event the Federal investment would be reduced to \$254 million for 5 million kilowatts rather than \$540 million for 1½ million kilowatts.

Mr. President, I have asked for the live quorum because those of us in the upper basin States are speaking with our backs to the wall. For several years, all seven States of the Colorado River Basin worked upon a plan. They compromised. They worked upon a plan to develop the entire Colorado River Basin. It is short of

water. We do no good and serve no purpose to pass a bill which will merely readjust shortages. The Hualapai Dam would make it possible to study augmentation sources for the supplying of water in the Colorado River. It does not limit it merely to the importation of water. It includes also weather modification, further desalinization, and any other means which might be employed to augment the supply of water in the Colorado River.

There are two basic reasons why the bill is unacceptable—and I think I speak for the upper basin States with the exception, perhaps, of New Mexico. The first point is shown, if any Senator wishes to look, on page 282 of the hearings, that the amount of water going to the central Arizona project must constantly decrease from the time of completion of the project until the year 2030.

Where is that extra water coming from?

It means that it can come only from the upper basin States by reason of the deferral of the development of their projects, the development of water to which we are entitled not only by virtue of the Colorado River compact of 1922, but also the upper Colorado River compact and the Colorado River Storage Project Act.

Thus, No. 1, the essential financial integrity of the central Arizona project, no matter how we look at it, must be based upon water which the upper basin States are not permitted to develop and use.

I have referred to the dam. I think anyone interested in the development of his own area is interested in the development of dams, such as the Dickey-Lincoln Dam in New England. These dams are necessary. The bugaboo that has been put out about invading the Grand Canyon is tripe, because it does not invade Grand Canyon National Park. That should be understood now and for always, because the distinguished Senator from Utah [Mr. Moss] went into great detail on this point the other day, and again in the Chamber today.

The second real reason we have our backs against the wall on this is that over the period of the past 10 years, Congress has appropriated only an average of \$242 million toward reclamation projects.

The Senators from Oregon, Washington, and Montana—and all the other western Senators, know that the development of reclamation projects is the only way we can preserve and use the water that we have.

In spite of the fact that the average appropriation for all reclamation projects in the past 10 years has been only \$242 million, under this proposal, just to take care of the present reclamation projects in process, including the Manson unit in the State of Washington and Tualatin project in the State of Oregon, and the ones now underway, would require a maximum of \$437 million, which is almost double the amount that Congress appropriated on an average for the past 10 years.

When we add the central Arizona project into it, which costs will run as high as \$103 million, \$115 million, \$118 million a year during the years 1971, 1972, and 1973, we find that we would be required to appropriate just to finance existing reclamation projects and to fi-

nance the central Arizona project, more than double the average appropriations for the past 10 years within 4 years from now.

What does this mean?

It simply means that there is going to be a fight on for appropriations to develop projects from here on out.

To Senators I can only say, in all sincerity, that if the central Arizona project is authorized as provided for in the bill now pending before the Senate, and if the amendment which has been offered by my colleague from Colorado and myself, the two distinguished Senators from California, and the two distinguished Senators from Utah, and is supported by the two distinguished Senators from Wyoming, is not adopted, we are going to be forestalled in the development of water for our use which every known method of legal contract has given to us, the Colorado River compact, the Upper Colorado River compact, and the Colorado River Storage Project Act. We do have our backs against the wall. It is just that serious.

What do we offer? We offer, instead, a plan which will give to Arizona in water exactly what she is asking for here. We offer a plan which will provide for the Hualapai Dam, developing up to 5 million kilowatts of electrical energy. There is a proviso in it that the Secretary must have contracts with purchasers before it can be built. We offer a plan which will provide for a study. We never ask for anything except a study of ways and means of water augmentation, which the present bill does not have. It provides certain provisions with respect to the Dixie project in Utah, and for five projects in Colorado.

My hope is that the Senate will consider this, because what is offered in the amendment is exactly the same bill that the seven basin States of the Colorado River agreed to, through their Governors, and which was introduced in the last session of Congress by MORRIS UDALL, the brother of the Secretary of the Interior. I can only surmise a part of the reason for the flip-flop of the Secretary of the Interior, but from the standpoint of cost to our Government, and from the standpoint of protecting all the States in the basin, the amendment before the Senate is the only one which offers a true, basinwide approach which I believe will protect the logical and orderly development of the basin without the myriad of differences and the shuffling of shortages that are bound to occur in any other way.

I hope the Senate will adopt the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana [Mr. BAYH], the Senator from Connecticut [Mr. DODD], the Senator from Indiana [Mr. HARTKE], the Senator from Maryland [Mr. TYDINGS], and the Senator from Pennsylvania [Mr. CLARK] are absent on official business.

I also announce that the Senator from Rhode Island [Mr. PASTORE] is absent because of a death in the family.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from Rhode Island [Mr. PELL], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana [Mr. LONG] and the Senator from Rhode Island [Mr. PASTORE] would each vote "nay."

On this vote, the Senator from Arkansas [Mr. FULBRIGHT] is paired with the Senator from Wyoming [Mr. MCGEE]. If present and voting, the Senator from Arkansas would vote "nay" and the Senator from Wyoming would vote "yea."

Mr. KUCHEL. I announce that the Senator from Tennessee [Mr. BAKER] and the Senator from Michigan [Mr. GRIFFIN] are necessarily absent.

The result was announced—yeas 12, nays 70, as follows:

[No. 207 Leg.]

YEAS—12

Aiken	Dominick	Miller
Allott	Hansen	Moss
Bennett	Hickenlooper	Murphy
Cooper	Kuchel	Prouty

NAYS—70

Bartlett	Hill	Morton
Bible	Holland	Mundt
Boggs	Hollings	Muskie
Brewster	Hruska	Nelson
Brooke	Inouye	Pearson
Burdick	Jackson	Percy
Byrd, Va.	Javits	Proxmire
Byrd, W. Va.	Jordan, N.C.	Randolph
Cannon	Jordan, Idaho	Ribicoff
Carlson	Kennedy, Mass.	Scott
Case	Kennedy, N.Y.	Smith
Church	Lausche	Sparkman
Cotton	Long, Mo.	Spong
Curtis	Magnuson	Symington
Dirksen	Mansfield	Talmadge
Ellender	McCarthy	Thurmond
Ervin	McClellan	Tower
Fannin	McGovern	Williams, N.J.
Fong	McIntyre	Williams, Del.
Gruening	Metcalf	Yarborough
Harris	Mondale	Young, N. Dak.
Hart	Monroney	Young, Ohio
Hatfield	Montoya	
Hayden	Morse	

NOT VOTING—18

Anderson	Fulbright	Pastore
Baker	Gore	Pell
Bayh	Griffin	Russell
Clark	Hartke	Smathers
Dodd	Long, La.	Stennis
Eastland	McGee	Tydings

So Mr. ALLOTT's amendment in the nature of a substitute, was rejected.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, this morning I asked the distinguished ma-

jority leader about the schedule for the week, and as far down the road as he could reasonably foresee. At the time there were not many Senators present. I thought, therefore, I ought to readdress that question to him, so that Senators might be informed.

THE PRESIDING OFFICER. The Senate will be in order.

The Senator may proceed.

Mr. MANSFIELD. Mr. President, I am delighted that the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], has raised that question again, now that we have more Senators present.

It is anticipated that following the disposal of the central Arizona legislation, which is now the pending business, we will take up the Department of Defense appropriations, the Export-Import Bank Act of 1945 amendments, a bill to reserve certain lands for a national wild river system, an act relating to bank holding companies, and a bill from the Committee on Finance having to do with the withdrawal of wine from bonded wine cellars without payment of tax when rendered unfit for beverage use.

Then we have the McClellan resolution, and after those matters are out of the way, it is anticipated we will take up the foreign aid bill some time next week or the early part of the week following.

THE RIOTS ARE SUBSIDIZED

Mr. DIRKSEN. Mr. President, the July 31, 1967, issue of Barron's National Business and Financial Weekly carried as its full front-page article, "Poverty Warriors: The Riots Are Subsidized as Well as Organized." Inasmuch as the current hearings being held by the Senate Judiciary Committee on the House-passed antiriot bill, H.R. 421, in which testimony reveals the recent riots were "well organized and planned," the timeliness of the article tempts me to tender this terse treatise for thoughtful consideration by each Member of the Senate.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POVERTY WARRIORS: THE RIOTS ARE SUBSIDIZED AS WELL AS ORGANIZED

Marion Barry and Rufus Mayfield are angry young men. Former national head of the Student Nonviolent Coordinating Committee (SNCC), Mr. Barry in August, 1965, took part in a protest demonstration organized by the so-called Assembly of Unrepresented People. He was arrested and charged with disorderly conduct while leading demonstrators onto the Capitol grounds. "Riot power and rebellion power," he was quoted as saying last week, "might make people listen now." Mr. Mayfield is a Black Muslim. Twenty-one years old, he has spent most of the past eight years in prison for various offenses, including petty and grand larceny. This month Marion Barry acquired gainful employment. He was hired as a \$50-per-day consultant by the United Planning Organization, top anti-poverty agency for the District of Columbia. Rufus Mayfield, according to Rep. Joel P. Broyhill (R. Va.), will serve as Barry's "back-up man."

city work, then met with businessmen and got pledges of 1,200 more jobs. Maryland's Republican Governor Spiro Agnew mapped a job program for unemployed Negroes in Baltimore. Mayors of the riot-ravaged cities, of course, did not have to worry about creating jobs. In Detroit, hundreds of men can be kept busy for years at the task of reconstruction.

Urban Coalition. The most significant effort may prove to be the Urban Coalition formed in Washington last week by 22 leaders of industry, local government, churches, labor unions and civil rights groups. The goal is to persuade "every American to join in the creation of a new political, social, economic and moral climate, which will make possible the breaking up of the vicious cycle of the ghetto." Among its founding members: Whitney M. Young Jr. Another member, New York's Mayor Lindsay, liked the idea so well that he formed a New York coalition aimed at rehabilitating the slums and helping Negroes to become "their own butchers, bakers and candlestick makers."

Initially, the White House reacted coolly to the coalition. One reason for its concern was the fact that Lindsay urged the Administration to "reorder the nation's priorities." To Lyndon Johnson, that sounded like the opening gun for an attack on his Viet Nam policy and an appeal to end the war on any terms so that he could plow the money into the cities.

As for Young's view on Viet Nam, he personally regrets the size and cost of the U.S. commitment. Nonetheless, in Warsaw last fall, he outlined the U.S. position to Polish Premier Jozef Cyrankiewicz with eloquence and grace. No apologist for the Administration, Young explained that he did so because American policy was being challenged one-sidedly by Communist officials, who were plainly surprised and impressed when Young, a Negro, took the stand that he did.

Young, the only national Negro leader to visit Viet Nam besides Senator Brooke, does not make the simplistic argument—as does King—that an end to the war would instantly transfer billions of dollars to the cities. The main thrust of racial progress, as he sees it, is by political and psychological means. Indeed, despite the Supreme Court's reapportionment rulings, the U.S. Congress is still a predominantly rural body, unlikely to be too sympathetic to the needs of the central cities. In the House, 225 of the 435 members hail from towns of 50,000 or less; in the Senate, the ratio is 56 to 44.

"I Believe." As Young sees it, the process of rooting out discrimination will take both political action and an intensive educational effort, directed as much at whites, as at Negroes. "The lower middle class in America thinks that status means exclusiveness," he says, "that those white, antiseptic, bland ghettos called suburbs are the place to go. We need a generation of people who have the commitment and creativity to try integration—to explore the creative possibilities of diversity." Young professes optimism. "But I don't think it rests in the hands of the Negro," he argues. "He has already said in a thousand ways that he believes in America. Now the time has come for America to say, 'I believe in you.'"

Pounds & Pages. There were signs that the larger white society was groping for the words. In Los Angeles, Democratic Mayor Sam Yorty, who has never been a conspicuous champion of the Negro cause, declared: "We must find ways of guaranteeing any man who wants to work a job—whatever it costs." In Detroit, Vice President Humphrey reasoned: "Whatever it will take to get the job done, we must be willing to pay the price." In a Senate hearing room, North Carolina's Senator Sam Ervin held up a stack of civil rights bills that ran to 1,212 pages and weighed 15 lbs. 6 oz., and testily asked the Attorney General: "I'd just like to know how many

more pages we're going to have." Replied Ramsey Clark: "As many pounds and pages as we need to ensure the rights of all Americans."

Despite the sudden flurry of interest in the Negro's plight, the spate of committees ordered to probe the ghettos' blight, and the rash of ratiocination in the press. Young warns that "time is running out." Not only for the Negro moderates, who are having more and more trouble persuading the slum dwellers not to turn to violence, but for the rest of society.

"There is a credibility gap beginning to emerge," says Young, "and there are forces saying that the cause is hopeless, that American white people are so selfish that they will remain silent in this crisis, or that the American white people are congenitally immoral and so bankrupt that it is futile even to try to bring about change. I don't believe this, but not because I think that a large number of Americans are going to get more moral. They are simply going to get more intelligent."

The tragedy today is that it should take warfare in the cities to awaken white Americans to the Negro's dire and manifold needs. It will, of course, be an infinitely greater tragedy for the future if they fail to do so.

THE POLICE ARE ON OUR SIDE

Mr. JAVITS. Mr. President, along the same line, I call the attention of the Senate to an editorial dealing with problems in East Harlem, N.Y., one of the very important areas in respect of the struggle which is being waged in what I call the agonies of the cities, printed in *El Diario-La Prensa*, which is read by thousands of Puerto Ricans and people of similar ethnic origin in New York, dealing with the cooperation and the perfectly extraordinary performance by the New York City Police in that area.

I ask unanimous consent to have printed in the RECORD the editorial entitled "The Police Are on Our Side," signed by O. Roy Chalk, publisher, and published in *El Diario-La Prensa* for July 26, 1967.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE POLICE ARE ON OUR SIDE

(By O. Roy Chalk)

What is going on in East Harlem? Are we going to behave as true members of the Spanish speaking community, respectful of law and order, or are we going to heed the call of rabble-rousers who wish to use us for furthering their own purposes?

No Puerto Rican and no member of the Spanish speaking community in New York, should be part of the racial trouble that is spreading over our nation. The preaching of communists and revolutionary elements should fall on deaf ears as far as our community is concerned. We should all remember that the police are trying to protect our people—all people equally—regardless of race or color.

We should show more respect for the police and they should be looked upon as friends and not as enemies. They are on the side of the law-abiding citizens, who are the majority of the people in East Harlem, and they are against the revolutionary and communist agitators who are in the main responsible for the riots.

The collective madness that is going on in East Harlem should be laid straight at the door of outside agitators sent to "El Barrio" to stir up trouble and to darken the name of the Puerto Ricans by making them

a part of the racial riots that are now rampant in our country.

We are ashamed. We are ashamed of the behavior of those few who let themselves be misled and who are soiling the name of the whole community.

Eyewitness reports brought in by two separate teams of *El Diario-La Prensa* reporters show—without any doubt—that the violence was stirred up by professional agitators who incited teenagers to acts of vandalism. They shouted and they preached violence but they carefully abstained from being a part to the riots so as not to get mixed up with the police or to suffer any bodily harm.

Among these agitators there are not only revolutionary elements, but also communists who are distributing leaflets in East Harlem which read in part: "Support and join the People's Armed Defense Group." In the pamphlet there is a Communist flag. This is the flag all of us should despise and the best way we can trample over it, is by disregarding the call of the agitators and by behaving like citizens respectful of law and order.

When the riots start, the dialogue ends. Rumor becomes a fact so strong that it sustains the violence already begun.

Let's not believe in rumors, Let's not be misled and let reason guide our steps. If we have grievances, we should air them through the proper channels without resorting to acts of vandalism, which deny our claim to civilization.

We join our President who, in his nationwide appeal, said: "I call on all of our people in all of our cities to join in a determined program to maintain law and order. . . . Pillage, looting, murder and arson have nothing to do with civil rights. They are criminal conduct."

We appeal to all of our community and especially to the parents of the misled teenagers, to get the crowds out of the streets—to stay in their homes and to keep their children there. Let's clear the streets and if we do so, peace will return to El Barrio and then we, all together, can begin to work to restore the good name that our community had enjoyed for so long.

Let's show the revolutionaries, the communists and the professional agitators that we are American citizens who respect law and order and the rights of all people.

At the same time, we should support our policemen who are doing their duty in protecting us from violence.

The police are on our side.

ALLOWABLE TIMBER CUT

Mr. MORSE. Mr. President, the question of allowable timber cut on public forests is one of great interest in Oregon. There the public forests are a major source of stumpage for the mills.

On July 24 the Forest Service advised me concerning the status of comparative studies of allowable cutting rates and management planning methods used by the Forest Service, Bureau of Land Management, and Bureau of Indian Affairs.

In its report the Forest Service advises that as progress on its Douglas-fir supply study "has unfolded, we have become increasingly convinced that any really productive effort toward uniformity in management planning and allowable cuts must await its results."

This is a highly technical subject of great economic importance to my State. Care and deliberate speed are consistent with the reviews under way because what is at stake is the long-term yield from the forest resource—and this yield is timber, water, recreation, wild life and the other great forest values which uphold Oregon's economy.

Last fall a report was made to the State of Oregon by Thomas J. Murray & Associates of Portland, on "Oregon's Timber Resources." That report made a number of observations on the relation between the allowable cuts on the national forests and the Bureau of Land Management lands.

The Forest Service letter sets forth a limited analysis of this subject. The Forest Service concept of modifying timber management to protect recreation values and produce desirable scenic effects is one which in part emanates from discussions Senator Jackson and I had several years ago with Secretary Freeman and his dedicated conservation adviser, Dr. George Selke. It represents a solid recognition of the multiple forest values which America's leading conservationists have long supported and urged. I know Oregon's conservationists will be pleased to see the tangible evidence that this policy is operative on the national forests. I trust it will be considered, where proper, on the Bureau of Land Management forests.

I ask unanimous consent that the letter dated July 24 be printed in the RECORD so that it will be available for consideration by all who have an interest in these great public resources.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D.C., July 24, 1967.
Hon. WAYNE MORSE,
U.S. Senate.

DEAR SENATOR MORSE: Our record shows that last January we promised to inform you of progress in comparative studies of allowable cutting rates and management planning methods used by the Forest Service, Bureau of Land Management, and Bureau of Indian Affairs. The purpose of this letter is to bring you up-to-date.

An important effort of the three agencies, during the first half of the year, has been to obtain uniformity in timber appraisal principles and methods, and we have devoted most of our available time and resources to this end. You are familiar with our joint effort on this project.

At the same time, we have made substantial progress in the Douglas-fir Supply Study. As this project has unfolded, we have been increasingly convinced that any really productive effort towards uniformity in management planning and allowable cuts must await its results. We have adjusted our work priorities to conform with this conclusion and have not undertaken extensive new planning studies with the other agencies.

We did take a rather close look at some BLM and FS allowable cut comparisons which should be of interest to you. We analyzed the relationships between inventories, cutting rates, measurement units, and management restrictions for the Siuslaw Working Circles of both the Bureau of Land Management and the Forest Service. These two areas are not sufficiently comparable to permit precise comparison but they come closer to similarity than any others we know of. We found no significant difference in cut as related to inventory between the two Bureaus for areas being managed to obtain similar objectives. The following table shows the result of analysis.

Working circles, use classification	Inventory volume (MMBF)	Computed allowable cut (MMBF)	Allowable cut as percent of inventory volume
1. Siuslaw (BLM)-----	4,081.0	82.0	2.0
2. Siuslaw (FS):			
A. Modified landscape..	2,206.8	24.9	1.1
B. Nonmodified.....	17,303.7	344.6	2.0
C. Alder and mixed....	2,934.4	56.3	1.9

This table shows that comparing the principal timber-producing portions of the two units, the cuts are comparable at two percent of the inventory. The table also shows that some parts of the allowable cut determination cannot be directly compared. With the Siuslaw National Forest, we have designated areas bearing an inventory of about 2,200 million board feet where the aim of management is to modify timber management to protect recreation values and to produce desirable scenic effects. Here, there is a necessary and unescapable impact on the rates of timber harvesting. Present BLM management has not provided for modifying timber harvesting rates in recognition of scenic and recreation values on portions of the BLM Siuslaw Working Circle.

We hope this information will be helpful to you and appreciate your interest in the subject of allowable cut determination. As significant progress is made, we will keep you informed.

Sincerely yours,

M. M. NELSON.

CENTRAL ARIZONA PROJECT ACT

The Senate resumed the consideration of the bill (S. 1004) to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes.

Mr. KUCHEL. Mr. President, on behalf of several Senators, I am about to offer an amendment to the pending bill.

I believe I may correctly say that what appeared originally to provoke another controversy has been set to rest and that the amendment I am about to offer will be accepted. I should like to speak thereafter for a very few moments against some of the provisions of the bill, and, as far as I am concerned, I do not believe there are any further amendments to be offered.

The bill provides that the U.S. Government will purchase power from a group of utilities, public and private, and will pay for that power, incidentally, 50 years in advance.

The question has arisen whether any of the electricity which the Government contemplates purchasing is surplus to the needs of the central Arizona project and whether, if the Government desires to dispose of it, the preference provisions of reclamation law should apply.

There was a very great question in the minds of departmental representatives whether it was intended that the provisions should apply.

To eliminate any question, I offer on behalf of my able friends, the Senator from Colorado [Mr. ALLOTT], the Senator from Wyoming [Mr. HANSEN], and any others who desire to join with us, an amendment which would read as follows:

On page 41, line 14, after the word "supplement" insert the following: "Provided, that the sale or disposition of power or energy acquired pursuant to section 2 of this Act and surplus to the requirements of the Central Arizona Project shall be in accordance with the provisions of section 9 of the Act of August 4, 1939 (53 Stat. 1193) as amended."

Mr. KUCHEL. Mr. President, I repeat in plain English that this means the preference clause of the Federal reclamation law shall apply to the sale of any power acquired under this legislation which is deemed to be surplus to the needs of the central Arizona project.

I send the amendment to the desk and ask unanimous consent that it not be read since I have already read it.

The PRESIDING OFFICER. Without objection, the amendment will not be read.

Mr. JACKSON. Mr. President, it is my judgment, and I think the judgment of the majority of the committee, that this particular amendment is not necessary.

Section 14 of the bill provides that the provisions of reclamation law shall be applicable to this project. This means that the provisions of the reclamation law, which includes section 9 dealing with the preference clause, would apply.

In the interest of clarity, however, and with a desire to make certain that there is no misunderstanding on this matter, I am pleased to accept the amendment offered by the Senator from California.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. FANNIN. Mr. President, this would apply only to the 470,000 kilowatts necessary for the Central Arizona Project Act. It would not apply to any other power generated at the thermal plant. Is that correct?

Mr. JACKSON. The preference provision would apply only to the surplus of power acquired by the Secretary that might be available after all requirements had been met in connection with the operation of the central Arizona project. It applies only in that area.

Mr. FANNIN. For instance, if the plant were to produce 1 or 2 million kilowatts, and only 470,000 kilowatts was necessary for the central Arizona project, it would not apply to the remaining amount?

Mr. JACKSON. It would not apply, of course, in the connection with meeting the requirements of the operation of the central Arizona project, including the bank account arrangements.

Mr. FANNIN. Nor to the additional amount produced in that plant beyond the 470,000 kilowatts?

Mr. JACKSON. The Senator is correct, in so far as it relates to the operation of the central Arizona project.

Mr. KUCHEL. Mr. President, I want to make this point crystal clear.

This would make the preference provisions of reclamation apply to any electricity acquired under the pending bill

from this group of public and private utilities, which is deemed surplus to the needs of the central Arizona project. The Department of the Interior provided me, on June 26, 1967, with details of the magnitude of such dispositions and the anticipated revenues. We placed those figures in the minority views at page 110 and I ask unanimous consent that the table on that page be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FEDERAL COMMERCIAL SALES OF STEAM-GENERATED POWER UNDER S. 1004

Year	Power sold (millions of kilowatt- hours)	Revenue at 5 mills per kilowatt-hour (thousands)
1973	175	\$875
1974	175	875
1975	224	1,120
1976	228	1,140
1977	274	1,370
1979	320	1,600
1980	365	1,825
1981	410	2,050
1982	458	2,290
1983	504	2,520
1984	549	2,745
1985	597	2,985
1986	641	3,205
1987	687	3,435
1988	734	3,670
1989	778	3,890
1990	824	4,120
1991	855	4,275
1992	886	4,430
1993	915	4,575
1994	946	4,730
1995	976	4,880
1996	1,006	5,030
1997	1,037	5,185
1998	1,066	5,330
1999	1,097	5,485
2000	1,124	5,620
2001	1,139	\$5,695
2002	1,156	5,780
2003	1,171	5,855
2004	1,185	5,925
2005	1,201	6,005
2006	1,217	6,085
2007	1,232	6,160
2008	1,247	6,235
2009	1,264	6,320
2010	1,279	6,395
2011	1,294	6,470
2012	1,310	6,550
2013	1,325	6,625
2014	1,340	6,700
2015	1,356	6,780
2016	1,372	6,860
2017	1,387	6,935
2018	1,402	7,010
2019	1,418	7,090
2020	1,433	7,165
2021	1,448	7,240
2022	1,464	7,320
2023	1,480	7,400
2024	1,495	7,475
2025	1,510	7,550
Total	50,976	254,880

Mr. KUCHEL. This chart shows the anticipated revenues from disposition of all of the power not needed for pumping and other incidental requirements of the central Arizona project. It is the amounts of power shown on this chart to which my amendment is directed.

Mr. JACKSON. Mr. President, the point that may need clarification is that the preference provision contained in the pending amendment would apply only to the power purchased by the Federal Government under the prepayment arrangements authorized by section 2 of the bill. Obviously, it would not apply to the power and energy taken by the privately owned or publicly owned utilities.

That is the only point of clarification that I think needs to be made.

Mr. KUCHEL. Mr. President, the Senator is correct. In other words, in order to have the preference clause apply, the Federal Government must actually own the electricity and find that it is surplus to its needs.

Mr. JACKSON. The Senator is correct. It would apply only to the power and energy that the Government is purchasing by contract.

Mr. KUCHEL. The Senator is correct. Mr. President, I ask unanimous consent that sundry comments, which I have prepared, but which in the interest of moving on to a third reading, I shall not read, be printed at this point in the RECORD.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

Mr. KUCHEL. Mr. President, one of the most perplexing aspects of the Udall thermal generation scheme has been the Administration's equivocal posture on the applicability of the "preference clause" in the sale of surplus power. One would have thought that Secretary Udall would be an enthusiastic supporter of the policy which has pervaded Federal power marketing programs since the first amendments were added to the Reclamation Law of 1902, by the Act of April 16, 1906 (34 Stat. 117). In that Act the Bureau of Reclamation was directed to give preference to "municipal purposes" in the sale of surplus power generated in connection with a reclamation project. In 1939 Congress revamped the Reclamation Law, but kept the preference clause, saying in part:

"In said sales or leases preference shall be given to municipalities and other corporations or agencies; and also to cooperatives and other nonprofit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936." (Section 9(c), Act of August 4, 1939, 53 Stat. 1193, 43 U.S.C. 485h(c))

The most authoritative statement of the official position of the Executive Branch was made by President Kennedy in a February 23, 1961, Message to Congress on Natural Resources. President Kennedy said:

"In marketing Federal power this administration will be guided by the following basic principles, which recognize the prior rights of the general public, consumer, and taxpayer, who have financed the development of these great national assets originally vested in them:

"(1) Preference in power sales shall be given public agencies and cooperatives.

"(2) Domestic and rural consumers shall have priority over other consumers in the disposal of power.

"(3) Power shall be sold at the lowest possible rates consistent with sound business principles.

"(4) Power disposal shall be such as to encourage widespread use and to prevent monopolization."

Mr. President, the Secretary of the Interior should leap to the obvious and honorable conclusion that the well established, historic tradition of selling Federal surplus power under the "preference clause" should apply to the sale of Federal power from the new thermal generating plant. Not so. As we have pointed out in the minority views, filed with the report on S. 1004, the administration has taken a very equivocal position on this question. In my view the cracks in the wall of the steam plant, which had been papered over with \$103 million of prepaid taxpayer's dollars, were beginning to show. Why else would the Administration equivocate on such a long standing principle of reclamation law?

In the excerpt which I read from President Kennedy's Message to Congress, the President said, "power disposal shall be such

as to encourage widespread use and to prevent monopolization." The Secretary has informed us that he may sell all of the surplus power back to one of the agencies participating in construction of the plant, thus keeping it out of the hands of other preference customers. Surely this is not what President Kennedy had in mind when he outlined a policy to "prevent monopolization." Nor is an arrangement by which the non-Federal agency which generates the power will act as a sponge to keep it off the market, consistent with the preference clause. My amendment will make the Secretary adhere to the historical application of the preference clause. Mr. President, "preference" is not a partisan issue. In 1961, President Kennedy was merely reaffirming a policy set down during the Administration of a great Republican president, Theodore Roosevelt. In keeping with sixty-one years of reclamation history, I urge the Senate to wipe the confusion from the Secretary's brow by accepting this amendment. My amendment simply makes the provisions of Section 9 of the Act of August 4, 1939, applicable to the Secretary's disposition of surplus power and energy generated at the steam plant.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. KUCHEL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MOSS. Mr. President, I send to the desk an amendment, and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT LEGISLATIVE CLERK. At the end of the bill insert a new section as follows:

Sec. 17. (a) For the purpose of improving water supplies in the Colorado River Basin States the Secretary of the Interior shall—

(1) establish and carry out a program of research and experimentation in the field of weather modification; and

(2) upon the determination of acceptable techniques in such field establish a program to put such techniques in operation in such manner as will best carry out such purpose.

(b) There is authorized to be appropriated not to exceed \$5,000,000 for the fiscal year ending June 30, 1968, and for each of the succeeding nine fiscal years for carrying out the provisions of this section.

Mr. MOSS. Mr. President, the burden of the proposed amendment is to authorize the payment of \$5 million a year for the next 10 years, to be used in weather modification research and then application to augment rainfall in the Colorado River Basin, so that there will be additional flow in the river.

If one thing has been established beyond any doubt by the engineers, by the record, and by the discussion that has taken place in the Senate in the last 3 days, it is that the flow in the Colorado River is inadequate. It cannot possibly satisfy all the legal obligations that have been established against the flow of the river. Consequently, we are coming to a period of time when there will be a head-on clash, and either we must share shortages or somebody will be left out.

We must turn every possible way we can to find additional water. By its vote on the amendment in the nature of a substitute, the Senate has turned away from the matter of studying other sources of water and diverting flow into the Colorado River, and that is not available to us. As the next most likely source of additional flow, I believe we have weather modification.

We have been talking a great deal about research in this respect, and there is some indication that we can augment rainfall through the techniques we have. We still have not found a reliable method, however. That is the purpose of this proposed amendment.

However, because of the lateness of the hour and because of the overwhelming size of the vote—it appears that the Senate has made up its mind, despite the fact that the Senator from Colorado pointed out that we have our backs against the wall in the matter of inadequate water supply—I will not press my amendment at this time. But I did desire to offer the amendment as part of the RECORD, because I believe Congress must face up to this issue. Congress cannot leave the issue lying there without doing something about it. The position we are taking today will remain to haunt us in the Senate for years to come, unless we face up to it.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. MOSS. I yield.

Mr. DOMINICK. I congratulate the Senator from Utah for his initiative in this matter. I can fully understand his feeling about not pressing the amendment at this time. As the Senator is aware, I have a bill in the Committee on Commerce to establish a weather modification program for the Colorado River Basin. It would cost \$9 million over a period of 3 years. I would appreciate any support that the Senator from Utah could give to this measure, so that we could have hearings and continue further with this program.

Mr. MOSS. I thank the Senator. I am well aware of the initiative and leadership he has displayed with reference to this matter. I assure him that I support him fully.

This is a matter of the greatest urgency. I brought it forward now, because I believe it should be underlined under the circumstances.

Mr. President, I withdraw the amendment I offered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ALLOTT. Mr. President, the basic issue involved in this legislation has been resolved by a vote which expresses the respect for the distinguished senior Senator from Arizona, the chairman of the Committee on Appropriations.

However, I do wish to state, before the final vote, in case there is not a rollcall vote, that I will vote against the bill. I feel that any bill which does not contain the Hualapai Dam and the study for augmentation is a great error, a great travesty, and a great burden upon the States of the upper basin. Therefore, I will vote against the measure, and I want the RECORD to so indicate.

I ask unanimous consent that various communications and statements relating to Colorado's position in this matter be printed at this point in the RECORD.

There being no objection, the communications and statements were ordered to be printed in the RECORD, as follows:

THE COLORADO RIVER WATER
CONSERVATION DISTRICT,
Glenwood Springs, Colo., July 25, 1967.

HON. GORDON ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ALLOTT: Herewith is a certified copy of a resolution unanimously adopted by the Board of Directors for the Colorado River Water Conservation District at its Third Regular Meeting for 1967. This resolution relates to pending Colorado River Basin legislation before the United States Congress and is self-explanatory.

Respectfully submitted.

PHILIP P. SMITH,
Secretary-Engineer.

RESOLUTION

Whereas, there is pending before the United States Congress legislation of various sorts to authorize, among other things, the Central Arizona Project, and five Colorado Reclamation Projects as participating projects of the Colorado River Storage Project Act of 1956; and

Whereas, versions of this legislation in Committee in the United States House of Representatives differs from that pending in the United States Senate; and

Whereas, this Board has complete faith and confidence in Colorado's elected Congressmen and Senators and especially appreciate the leadership and perseverance exhibited by the Hon. Gordon L. Allott, United States Senator, and the Hon. Wayne N. Aspinall, M.C., in striving to protect the interests of the State of Colorado in the Colorado River in connection with such legislation.

Now, therefore, be it resolved, by the Board of Directors of the Colorado River Water Conservation District, meeting in regular session this 18th day of July, 1967, that this Board, by this resolution, wishes to express its appreciation to and continued support of the Hon. Gordon L. Allott, United States Senator, and the Hon. Wayne N. Aspinall, M.C., in their efforts to obtain for Colorado the five Reclamation Projects while protecting the interests of Western Colorado and the State of Colorado as a whole in the Colorado River.

Be it further resolved that the Secretary-Engineer of this District is hereby directed to forward certified copies of this Resolution to the Hon. Gordon L. Allott, United States Senator, the Hon. Wayne N. Aspinall, M.C., the Hon. John A. Love, Governor of the State of Colorado, and to the Colorado Water Conservation Board.

CERTIFICATE

I, Philip P. Smith, Secretary-Engineer for the Colorado River Water Conservation District do hereby certify that the foregoing and attached copy of Resolution is a true, complete and correct copy of the Resolution adopted by the said Colorado River Water

Conservation District at its regular meeting held July 18, 1967.

PHILIP P. SMITH,
Secretary-Engineer of the Colorado
River Water Conservation District.

THE SOUTHWESTERN WATER CON-
SERVATION DISTRICT,
Durango, Colo., June 26, 1967.

HON. GORDON ALLOTT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR ALLOTT: I have reviewed your statement of May 2nd before the Subcommittee on Water and Power Resources. My interpretation is that you are phased in completely with the Colorado Water Board.

I can speak only for myself, but I feel that Colorado must have the five projects, not just two. The operation and funding of Glen Canyon and Hoover Dams must be substantially as written in old H.R. 4671. That the Bridge Canyon Power Development can not be left out. But the importation studies might be watered down and left for future consideration if this will help to push the Bill along.

If Senator Hayden's provision that ad valorem tax should be eliminated on the Arizona Project, then this type of taxation should be rescinded on all present and future reclamation projects. This is really not to unfair in view of the flood control and river and harbor projects that are done in other parts of the country at total government expense.

I know how difficult this is for you and wish you success against great odds.

Sincerely,

FRED V. KROEGER.

COLORADO ASSOCIATION OF
SOIL CONSERVATION DISTRICTS,
Hooper, Colo., June 20, 1967.

HON. GORDON ALLOTT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: I am in complete accord with your most comprehensive statement before the Subcommittee on Water and Power Resources on May 2, 1967.

Among the things mentioned in your statement, I think that three stand out as absolutely essential.

1. Hualapai Dam.
2. Importation Study.
3. Five Colorado Projects.

Without these definite provisions I don't believe Colorado should go along with any proposed legislation such as S. 1004 or S. 1013—but should voice vigorous and sustained opposition.

I wish to thank you for the copy of your very lucid and knowledgeable statement.

I hope Ival Goslin is in better health—he had a kidney stone attack when I was in Salt Lake last week.

Very truly yours,

QUINCY C. CORNELIUS.

GRAND JUNCTION, COLO.,
June 26, 1967.

HON. GORDON ALLOTT,
Senate Office Building,
Washington, D.C.:

Regards Central Arizona project, your statement of May 2 the very minimum Colorado can accept. Northwest Colorado is very vulnerable under any CAP. We must provide meaningful study on water imports or White and Yappa Basins will be the big loser.

S. I. BERTHLESON.

DENVER, COLO.,
June 26, 1967.

HON. GORDON ALLOTT,
New Senate Office Building,
Washington, D.C.:

Have reviewed your statement before Subcommittee on Water and Power Resources of May 2, 1967, in support of your bill, S. 1242,

with members of staff on CWCB. Your statement of May 2, 1967, accurately and completely sets forth Colorado's official position as expressed by the State of Colorado and our board on this legislation.

BENJAMIN F. STAPLETON, JR.,
Chairman, Colorado Water Conservation Board.

DENVER, COLO.,
June 26, 1967.

Hon. GORDON ALLOTT,
New Senate Building,
Washington, D.C.:

Colorado's position on central Arizona project as formerly stated was and is the position determined by the Water Conservation Board, and concurred in by other water experts of Colorado. This position is the result of long study and reflection toward serving the best interest of our State. Your recent statement for the record is in conformity with that position. Regards.

JOHN A. LOVE,
Governor.

GUNNISON, COLO.,
June 28, 1967.

Hon. GORDON ALLOTT,
U.S. Senator,
Washington, D.C.:

I still support Colorado position of central Arizona project as reflected by May 2 statement.

CRAIG A. GOODWIN.

GUNNISON, COLO.,
June 27, 1967.

Hon. GORDON ALLOTT,
U.S. Senator,
Washington, D.C.:

We support Colorado's position on central Arizona project as reflected by May 2 statement of Colorado Water Board.

RIAL R. LAKE,
Chairman, Upper Gunnison River Water Conservancy District.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the text of a telegram from the chairman of the board of the Metropolitan Water District, and sundry newspaper editorials be printed at this point in the RECORD.

There being no objection, the telegram and editorials were ordered to be printed in the RECORD, as follows:

LOS ANGELES, CALIF.

Hon. THOMAS KUCHEL,
U.S. Senate,
Washington, D.C.

Your incisive analysis of the calamitous effect of S. 1004 on the States of Colorado River Basin including Arizona deserves the most careful consideration by the Congress. We are entitled to demand an explanation for the abandonment of a sound regional plan by the administration and the majority of the members of the committee. California is not alone in being subjected to grossly unfair demands on her resources to support this project. Why must the upper basin have its future growth placed in jeopardy to furnish water for a project which we know cannot be met from a dwindled water supply? Why must power users in California and Nevada be asked to subsidize water delivered to Arizona farmers for only 20 percent of its cost? And why must the Metropolitan Water District, Hoover Dam's largest power customer, be asked to pay almost double its present power rates without any realistic assurance that what it pays will go toward providing more water, not less. California, Colorado, Nevada, Utah, and Wyoming have each asked for the construction of Hualapai Dam to assure the financial stability necessary for the future growth we know with certainty will come. Yet the administration and Arizona ignore the po-

tential benefits to both water and power users of 5,000 megawatts of valuable peaking power, preferring to purchase it from three utilities who plan to build a coal-burning power plant. The Secretary has stricken the heart from the regional plan by removing Hualapai Dam. S. 1004 is a narrow sectional bill and deserves a decisive defeat.

JOSEPH JENSEN,
Chairman of the Board.

[From the Los Angeles (Calif.) Times, Aug. 3, 1967]

PLAYING POLITICS WITH WATER

In legislative politics, the vote all too often has nothing to do with the virtues of a bill.

It will come as no surprise, therefore, if the U.S. Senate enacts an outrageous proposal masquerading as a regional water plan for the Southwest. Even the opponents of the bill concede that its sponsors have the votes for Senate passage.

The main—indeed, the sole—purpose of the measure is to authorize construction of the \$768 million Central Arizona Project and to permit a massive diversion of water from the already depleted flow of the Colorado River. All other regional considerations have been subordinated to this one project.

Originally, the project was one element of an over-all regional water plan which recognized that future Southwest water needs could only be met through augmentation of the Colorado's meager supply. Such a plan was advanced by Interior Secretary Stewart Udall and received the support of all the states of the Colorado River Basin.

Pressure politics, however, have so eroded the plan that it now benefits only Arizona—and at the expense of the other basin states. Secretary Udall's far-sighted program, declared Sen. Thomas Kuchel (R-Calif.) has become "an instrument of myopic planning that forsakes a regional equitable solution for selfish expediency."

The present Senate bill has no provision for bringing new water into the Colorado from areas of surplus, no provision for financing any other basin projects except the CAP, and no realistic protection for existing uses of river water.

Even worse, California must not only give up water for the Arizona project but also subsidize it through 50% higher electric rates in Los Angeles, Pasadena, Glendale and Burbank, Kuchel warned. The decision to forego construction of Hualapai Dam, he said, resulted in a "massive giveaway" to the three utilities that would build a substitute thermal power station.

Kuchel has the strong support of many other Colorado Basin members of Congress and of California's delegation and state administration. And fortunately, one of the strongest critics of the Senate bill is Rep. Wayne Aspinall (D-Colo.) chairman of the House Interior Committee, who announced that he will block the measure.

An effective regional plan can never be enacted unless Congress stops playing politics with water shortages.

[From the Sacramento (Calif.) Union, July 11, 1967]

KUCHEL CORRECT: COLORADO RIVER WATER PLAN HAS LOST VALUE

The contention of Sen. Thomas H. Kuchel that the Central Arizona Project of water development supported by the administration is "an instrument of myopic planning" sounds like hyperbole.

Unfortunately, the senior California senator's assessment of the measure is, if anything, an understatement.

As Sen. Kuchel says, the Arizona Water Project Bill approved by the Senate Interior Committee is, at the least, "selfish expediency" on the part of Arizona and the Northwest Pacific. It would do little more than

authorize construction of another ditch between the Colorado River and the cities of Phoenix and Tucson.

Gone from it are the provisions for regional planning and studies for supplementary sources of water that were advocated so strenuously by the Interior Department less than four years ago.

Gone also are the provisions for construction of at least the Bridge Canyon Dam to provide economical hydro-electric power and financing for essential regional studies.

Worse than that, the measure would seriously hurt all states in the Colorado River Basin with the exception of Arizona by making them share scarcity. All but Arizona would be the first to feel the pinch of inadequate Colorado River supplies.

And by guaranteeing California's legitimate right to 4.4 million acre feet of water for only 27 years the bill ignores the law and equity. The real need for more water will come when the 27 years is up.

Unfortunately, the myopia to which Sen. Kuchel refers is not unintentional. Thinking it has the political power, now Arizona wants to look after its own interest: at the expense of the other six states in the Colorado Basin. Legislators from the Pacific Northwest who apparently would rather see the excess water in their rivers run into the ocean than share it with others, also are putting parochialism above the national interest.

Regrettably it appears as if the measure will pass the Senate and stand the final challenge in the House. It must be defeated, for the bill is a bad one. No projects at all would be preferable and more equitable. At least a new beginning could be made.

The water plan for the Pacific Southwest must recognize existing and historic water rights. It must be regional in scope for the best use of natural resources, and it should work for new sources of water rather than just seek to divide the present scarcity.

Additionally, the new law should recognize that supplies of water to Mexico under a treaty are an obligation of the entire nation, not just a regional burden.

Any other solution would not only be a waste of national resources, but would again begin the longstanding feud among Colorado River states that seemingly was amicably settled in 1965.

[From the San Diego (Calif.) Union, July 8, 1967]

SHORTSIGHTED FOR LONG-TERM PROBLEM: DANGER IN WATER PROJECT BILL

The contention of Sen. Thomas H. Kuchel that the Central Arizona Project of water development supported by the Administration is "an instrument of myopic planning" sound like hyperbole.

Unfortunately, the California senior senator's assessment of the measure is, if anything, an understatement.

As Sen. Kuchel says, the Arizona Water Project bill approved by the Senate Interior Committee is at the least "selfish expediency" on the part of Arizona and the Pacific Northwest. It would do little more than authorize the construction of another ditch between the Colorado River and the cities of Phoenix and Tucson.

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[From the San Jose (Calif.) News, July 8, 1967]

MYOPIA AND MAGIC IN WATER PROJECT

The U.S. Senate's Interior Committee apparently believes the Colorado River is like that magic pitcher that can never run dry.

If only this were so. The fact is, however, that implementation of the Arizona water project, as approved by the Committee, would mean that the water in the Colorado would be badly overcommitted.

What is worse, the Committee has eliminated two steps that are essential if this heavy commitment is to be placed on the Colorado.

—One sound and fair principle is that in any shortage all the parties involved share the hardship. Under the Interior Committee's bill, however, Arizona would not have to share. The shortage would be made up from Colorado water that for the last 27 years has been committed for use in California.

—The second principle is so basic that its exclusion from the Committee's bill is a testimonial to the skill and influence of Sen. Henry Jackson, the Washington Democrat. It is that if a water source is to be overdrawn then another source must be sought. Yet the Committee wrote out of the proposed legislation a provision for a study of other water sources in the West. Sen. Jackson and his Northwestern constituents don't even like to talk about inter-state plans; they look upon them as a threat to their rights to Columbia River water.

But the water problem is a regional affair. The Arizona plan itself is regional because it draws on a source that is used by more than one state.

It is no wonder that Sen. Kuchel calls the Committee's action "an instrument of myopic planning that forsakes a regional, equitable solution for selfish expediency." And Gov. Reagan is correct in saying the proposal "compounds rather than solves" the water problem in the Southwest.

This matter is of acute importance to Northern California even though the state's Colorado River allotment goes into the South. It is obvious that Southern California will have to look to the North in the event of a shortage brought on by the Arizona plan. As a "have-not" area that looks to those same northern water sources for part of its supply,

Santa Clara County has a big stake in this issue.

Now that the bill is out of Committee, apparently its chances of going all the way through the Senate in substantially its present form are good. This means that it will be up to the House of Representatives, and to its Interior Committee in particular, to rewrite this defective measure.

[From the Los Angeles (Calif.) Herald Examiner, July 5, 1967]

SOLD OUT

California's plans to protect its Colorado River water supply and to gain approval of a detailed study of plans to bring huge new supplies of water to the Colorado from the Pacific Northwest have been dealt a damaging blow.

This occurred when the Senate Interior Committee approved a \$1.2 billion group of water projects, including the long-stalled Central Arizona Project to bring water to the Phoenix and Tucson areas.

Northcutt Ely, special assistant attorney general for California, representing the Colorado River Water Board, called it a "complete sellout by Arizona to the Northwest and the conservationists."

His reference to the Northwest was in connection with long term plans of California to try to have some of the hundreds of millions of acre feet of wasted Columbia River water imported to the Colorado River to greatly replenish that river's dwindling supply.

The Senate Interior Committee rejected a substitute measure to authorize construction of the huge Hualapai Dam below the Grand Canyon National Park and to approve a study of water imports from the Pacific Northwest.

In rejecting construction of the Hualapai Dam, the Senate Committee definitely spiked efforts to develop power sources which would have greatly assisted future California-Arizona water developments.

But worst of all, the committee's vote once again stirs up the water warfare between Arizona and California which existed for years. Northcutt Ely spoke of this when he said:

"Arizona's unjustified decision to ram this bill through the committee destroys the basin's hopes for a real seven-state agreement to our mutual water problems. The secretary of the interior has disgracefully repudiated all the inducements of regional cooperation he endorsed last year."

The bill approved by the committee would still guarantee California a minimum of 4.4 million acre feet of water annually from the Colorado River, but that guarantee is only for 27 years. Water planning needs much more leeway than that.

The bill still faces the full Senate and then must undergo hearings by the House. But in the meantime, California's senators and many members of the House should join the battle to preserve for this state all of its fair share of Colorado River water.

[From the Los Angeles (Calif.) Times, July 3, 1967]

WATER: MORE LEAKY LEGISLATION

The Senate Interior Committee has approved legislation creating a new water shortage problem for the states of the Southwest—without providing any meaningful solutions.

As expected, the committee authorized the controversial Central Arizona Project at the expense of the other Colorado River Basin states. There simply isn't enough water in the Colorado for the proposed project and for existing uses, already-authorized projects and the Mexico treaty obligation.

California not only would have water taken away for the Arizona facility but could wind up helping to pay for it through higher

power rates. Upper Basin states, particularly Colorado, would also be hard hit.

This was too much for Sen. Thomas Kuchel (R-Calif.) who described the bill as "an instrument of myopic planning that forsakes a regional, equitable solution for selfish expediency."

Gov. Reagan joined Kuchel in denouncing the legislation as a measure that "compounds rather than solves" the water problems of the Southwest. "All it does," said Reagan, "is add an additional burden to an already over-committed river."

The myopia referred to by Sen. Kuchel could better be described as the intentional shortsightedness of those who would deny to the Southwest any of the vast surplus of water in the Pacific Northwest. No mention was made in the bill of any water importation studies, which is just the way the committee chairman, Sen. Henry Jackson (D-Wash.), wanted it.

California insists—with the support of other Colorado Basin states—that if there is no importation of water, Arizona must share the shortage that its new project would cause. There must be a guarantee, declared Sen. Kuchel, that California's use of Colorado River water would not drop below the 4.4 million acre-feet annually provided in the Boulder Canyon Project Act.

The committee bill, introduced by Sen. Carl Hayden (D-Ariz.), recognizes that basic right of California—for 27 years. In other words, Arizona will honor the water rights of other states only so long as it is not inconvenienced.

This parody of a proper regional water plan probably has enough votes to pass the Senate. Fortunately it must then go to the House Interior Committee, where reason should be restored.

Despite threats of reprisal to Northern California projects, the state delegation in the House must stand together to assure that California isn't sold down the river.

[From the Salt Lake (Utah) Tribune, July 2, 1967]

CENTRAL ARIZONA BILL BIG DISAPPOINTMENT

The Central Arizona Reclamation Project as reported out of the Senate Interior and Insular Affairs Committee is a disappointment to Utah interests. While it contains financing for the Dixie Project, it lacks any assurances that Utah's unused water entitlement from the Colorado River will be protected. A crumb is little consolation if the whole cake is lost.

That Arizona has a critical water problem requiring early solution, there is no doubt. As a matter of record, Utah officials and reclamation leaders acknowledge the situation and have pledged help. Arizona as part of the Colorado River's Lower Basin was allocated water from the river by solemn agreements dating back to 1922. But these agreements were founded on the principle of mutual assistance, western state signatories believing each would benefit from cooperative efforts. The Central Arizona Project bill as now written does not reflect this spirit.

Utah and its Upper Basin neighbors were willing to support the bill, asking in return for provisions authorizing studies of ways to augment the supply of water in the Colorado River Basin. One such possibility would involve diversion from the water-rich Northwest. Certain Colorado River operation requirements on Glen Canyon's upstream side were also requested. All these concessions were stripped from the bill in the Senate committee, headed by Senator Jackson (D-Wash.), unyielding opponent of diversion of any Columbia Basin water to the Colorado Basin.

Central Arizona was planned on the basis of water supply expectations estimated more than 40 years ago when Upper and Lower Basin entitlements were divided by compact.

Subsequent flow measurements show early estimates overgenerous and if Arizona is to receive its allocation as river rights were originally distributed, the subtraction will come from the Upper Basin's share.

Utah, Colorado, Wyoming and New Mexico, in the Upper Basin, are as vitally concerned with ultimate development of their water rights as are Arizona, California and Nevada in the Lower Basin. Our future prosperity is limited by the amount of water we can reclaim for industrial, agricultural and residential use. The cooperative approach to region-wide water development must not be abandoned now, but if one of the seven Colorado River Compact states insists on using the leverage of private advantage at the expense of its former partners, the other states have no alternative but to resist.

The Central Arizona bill faces several obstacles before reaching a final congressional vote. It must be examined in the House Interior and Insular Affairs Committee, chaired by Rep. Wayne Aspinall (D-Colo.). On June 1 as featured speaker at the Central Utah Reclamation Project's Bonneville Unit groundbreaking, Mr. Aspinall called for the highest degree of water statesmanship in meeting requirements of a growing, but oftentimes arid, West. He said such diplomacy contemplates the idea of transbasin diversion. We hope Mr. Aspinall remembers those words when his committee considers the Central Arizona Project bill, for, as currently written, it should not pass.

[From the Denver (Colo.) Rocky Mountain News, July 2, 1967]

BLOCKING WATER GRABS

Fortunately for Colorado and Wyoming it has a triumvirate of representatives sitting on congressional interior committees blocking water grabs threatened by the Central Arizona Project involving Upper Basin waters, the property of Colorado and Wyoming.

They are U.S. Sen. Gordon Allott of Colorado, U.S. Sen. Gale McGee of Wyoming, and powerhouse Rep. Wayne Aspinall, chairman of the House Interior Committee which holds life-or-death decision over the bill.

While we understand the necessity of water in the arid Arizona country, neither Colorado nor Wyoming, snowsheds for the principal tributaries of the Colorado River, can afford to be giving away vital water that must be preserved to guarantee anticipated industrial, residential and agricultural growth.

The Central Arizona Project, an immense system of dams to blockade the Colorado River in Grand Canyon National Park, is the major unit of the \$1.2 billion Colorado River Project.

Senate old hands term the Central Arizona Project "a monument" to aging U.S. Sen. Carl Hayden, now 89 and nearing the end of his long career.

Finding tough opposition from Colorado and Wyoming sources, Hayden wanted to amend the bill to offer Colorado \$360 million as an inducement to giving him his way.

You don't scoff at \$360 million, but neither can you be bribed into giving away the most valuable resource of both Colorado and Wyoming.

The money would go to build and develop storage and irrigation systems on the San Miguel, Uncompahgre, Dolores, Animas, La Plata and the main stem of the Colorado where it leaves the state. The water would augment fruit orchards, ranches and farms in the high mesa country of the Western Slope.

Allott demands that the bill provide funds for a water augmentation program whereby surplus waters in giant systems such as the Columbia River might be diverted to states that are water-shy and growing increasingly so.

A third proposal made by Allott suggests that the Central Arizona Project include the

projected Hualapai Dam, above the great Hoover Dam, to generate power that could be sold to pay off diversion studies.

The system of equitably allocating water by compact is a tenuous one at best. Water, once adjudicated to another state, never comes back.

We applaud the stand of our congressional representatives and trust they hold the bridge and protect our water interests.

[From the Los Angeles (Calif.) Times, June 9, 1967]

THE POLITICS OF WATER

"Man is losing his race with the growing need that he has for water," warned President Johnson at the recent International Water for Peace Conference.

"While men barely tap the abundance of lakes, rivers and streams, others watch their crops shrivel with drought.

"How can we engineer continents and how can we direct our great river systems to make use of the water resources that all of us are wasting today?" asked the President.

Many members of Congress must have found a special irony in Mr. Johnson's stirring words. For the advice the President gave the rest of the world is being ignored by his own administration in the development of U.S. water resources, particularly in the arid Southwest.

The new Colorado River Basin bill presented by Interior Secretary Stewart Udall is as illogical as it is unfair. Apparently a variety of political pressures caused the administration to do a flip-flop from its previous recommendations for a regional plan.

Udall stunned the Southwest states earlier this year with a new proposal calling for construction of the \$1.1 billion Central Arizona Project without any provision for replacing the Colorado River water it would use, and with no protection for water rights of the other basin states.

The secretary performed a "bewildering intellectual somersault," said Sen. Thomas Kuchel (R-Calif.).

Last year Udall favored a compromise agreement among the basin states that included construction of the project, guarantees of water rights and establishment of a development fund for other basin projects.

A key element of that pact was insistence upon studies leading to importation of water from areas of surplus—"to make use," as the President put it, "of the water resources that all of us are wasting today."

The inter-state agreement, however, got caught in the rapids of power politics.

Most obvious source from which to import water is the Columbia River—where, to quote the President again, "men barely tap the abundance." More than 10 times the annual flow of the Colorado is annually wasted into the sea from the Columbia.

Water from inter-state river systems like the Columbia does not belong to any one state and is subject to the will of Congress. But the state of Washington has very powerful representation in Congress, including Sen. Henry Jackson, chairman of the Senate Interior Committee.

Sen. Jackson does not want any mention of importation studies in the Colorado River bill that his committee will begin marking up today. And none will be, despite the objections of Sen. Kuchel.

Arizona, however, seems willing to pay almost any price for its long-sought project and has all but repudiated its prior agreement with the other basin states.

It knows that without such importation there won't be enough water in the river to supply the Central Arizona Project and to meet the minimum amounts guaranteed to other basin states by law and to Mexico by treaty.

Although Arizona may be willing to take that chance, California cannot. Nor can the other members of the Colorado River Basin.

If the authorization again falls, Arizona will have only itself to blame. There isn't room on the river for a project that can be built only at the expense of other states' water rights.

President Johnson, therefore, ought to step up in now to assure that a proper regional solution is achieved before the political well runs dry.

[From the Desert Hot Springs (Calif.) Desert Sentinel, June 8, 1967]

KUCHEL BILL NEEDS SUPPORT

The Colorado River Basin is a water-deficient area. The Southwest, Southern California in particular, is dependent upon the Colorado River water supply: A supply which has been over-committed by compact, court decrees and present long-time uses.

Today, Southern California must again battle to protect its rights in the river or face a drying up of more than \$600 million invested in water facilities unless Congress faces up to the obligation of enacting meaningful legislation to provide realistic solutions to the inevitable water shortage that will follow unrestricted authorization of the Central Arizona Project.

The Colorado River Board of California and Coachella Valley County Water District, Imperial Irrigation District and other Colorado River users have firmly resolved to oppose river legislation now before Congress which is proposed by Arizona and the federal administration.

These California agencies take the stand that the proposed CAP bills of Arizona and Secretary of Interior Udall fail to recognize the water deficiencies and demands already caused by the Mexican Water Treaty, existing water rights and other authorized uses as well as evaporation losses upon all of which would be added the new burden of the Arizona proposal.

California, which has been using 5.1 million acre feet for many years, has projects designed to take 5.4 million acre feet per year. Californians will recall that in 1929 this state agreed to limit itself to 4.4 million acre feet. California's right to 4.4 million acre feet, its limitation underscored by the Supreme Court ruling, has been regularly acknowledged by Arizona. Simple arithmetic shows this is 700,000 acre feet less than we are currently using.

The problem is that even with the optimum flow of 7.5 million acre feet per year in the lower Colorado River, the Lower Basin will be short of river water. It is intolerable to contemplate a project such as the CAP without assurance that present rights are protected or that more water is assured from other sources. Who will bear the burden? What principles should apply?

California supports the Colorado River Bill S-861 introduced by Sen. Thomas Kuchel in which he is joined by Sen. George Murphy. California also supports the counterpart in the House, H.R. 3300 by Rep. Wayne Aspinall of Colorado. California does so because S-861 embodies the principles on which all seven Colorado River basin states agreed last year. Sen. Kuchel's S-861 states the conditions on which the basin states could support authorization of the Central Arizona Project.

Basically, the stand of most basin states and the California agencies contains these points:

That when there are shortages of water in the river, Arizona shall be limited in diversions to the Central Arizona Project to assure water to supply the existing projects in Arizona and Nevada and existing projects in California not in excess of 4.4 million acre feet. In other words, Central Arizona's project must bear its portion of any shortages that project may create.

That this priority for the existing projects would terminate when 2.5 million acre feet of surplus water is imported from another basin into the Colorado River. In other

words, meaningful studies of water importation projects must be made now and must be realistic and purposeful before the CAP can be approved.

That California's protection of its 4.4 million acre feet limitation must be maintained, and the future augmentation of the river by 2.5 million acre feet is a realistic goal.

That the high Hualapai Dam and power generating plant is also an integral part of the program which must be incorporated into any Central Arizona Project legislation. Hualapai Dam would provide development funds for underwriting costs of works to import the necessary supplemental waters.

These principles must be included in any Colorado River legislation. Sen. Kuchel's S-861 does this. It is the only solution to what otherwise will mean a drying up of the already over-burdened river.

Southern California, indeed, all of California, and the Southwest should so advise their senators and congressmen of their support of S-861 today. We ought to all rise up and tell President Johnson we mean business and we need water!

[From the Desert Hot Springs (Calif.) Desert Sun, June 7, 1967]

THE HEART OF A WATER PROBLEM

The famed Colorado River Water Fight is still being waged, and we might as well recognize it. The term itself has been heard seldom since the U.S. Supreme Court decision settling the California-Arizona legal battle. But the one agonizing fact that cannot be eluded remains, and that fact supports continuing struggle:

The Southwest is dependent upon a Colorado River water supply which has been over-committed by compact, court decrees and long-time uses.

And all of the fighting, the jockeying of legislation and other politicking, comes down to various sections of the Colorado River Basin trying to finagle more water or hold onto rights they believe they already have.

The situation as it exists today is vastly complex, involving all sorts of statistical, engineering and political issues, but that over-commitment is the key to California's stand against bills proposed for the Central Arizona Project.

This state's Colorado River users take the stand that the proposed CAP bill of Arizona and Secretary of Interior Udall fail to recognize the water deficiencies and demands. The view simply is that it is intolerable to contemplate a project such as the CAP without assurance that present rights are protected or that more water is assured from other sources.

Any attempt to discuss this great issue without reference to specific details—particularly acre feet of water—is difficult, but let's accept a bit of oversimplification in hopes of better understanding.

Basically, the stand of California and most of the basin states is embodied in a resolution of the board of directors of the Coachella Valley County Water District supporting Sen. Thomas Kuchel's Colorado Bill S-861, which, the resolution states, contains the essential features for a settlement of the issues.

That resolution, oversimplified, calls for: Works to augment the Lower Basin water supply. This includes authorization for meaningful studies for that purpose, including studies on importations necessary to firm up the water apportioned to the Lower Basin by the Supreme Court Decree and studies of adequate protection of areas and states where that imported water originates.

Acceptance of a proposal which would provide Colorado River basin project funds from sale of power from a high Hualapai Dam.

Provision that the Central Arizona Project would bear its portion of any shortages which it would create.

Protection of existing projects and California's allocation by the Supreme Court.

The gut issue, it appears, is that California insists that the over-commitment of water be recognized and enough water be provided to meet that commitment. Sen. Kuchel's bill seeks that. The other two bills ignore that demand.

But the details—the acre-feet, the dates of compacts and court decisions, the state and area loyalties—can and do confuse that issue for many of us.

That they do is a shame. The problem is truly a regional one. The Southwest simply does not have enough water and finding a way to provide enough water is the reasonable approach, not deciding who will have and who will not have.

This is important to all areas of the Southwest, directly or indirectly. Palm Springs, which uses not a drop of Colorado River water, is almost directly affected by the well-being of those areas which do.

The solution sought by the Kuchel bill is the only satisfactory solution: The solution to the Southwest Water Problem.

And we should let our legislators know we believe in that.

[From the Los Angeles (Calif.) Herald Examiner, May 25, 1967]

FIGHTING BACK

Cornered and with their patience worn out by Colorado River water decisions which may be running against them, the people of California have decided they must fight to protect their rights in the great water controversy.

The Colorado River Board of California announced it had unanimously voted to oppose in Congress the Colorado River legislation now being supported by Arizona and the national Administration.

In so doing they will be backing the opinions of Gov. Ronald Reagan, Atty. Gen. Thomas C. Lynch and Senators Thomas Kuchel and George Murphy. They also will support the Kuchel Colorado River bill, S. 861, in which Kuchel is joined by Sen. Murphy.

Here is the Colorado River Board's position:

1. Loss to the Metropolitan Water District must be limited to 662,000 acre-feet annually against any demand from newer projects—such as the contemplated Central Arizona water plan.

2. A comprehensive study of water to augment the supply of the Colorado River mainstream, including studies of importation possibilities, should get under way at once. (This would include the possibility of obtaining water from the Columbia River.)

3. A 5 million kilowatt hydroplant at Hualapai Dam in Bridge Canyon, with pumped storage features to meet power demand peaks, should be authorized as an essential source of low cost electricity for the growing economy of the Southwest as well as a source of funds to finance facilities to add water to the Colorado River.

Arizona and California formerly worked together in an attempt to protect the interests of both. Arizona in recent months has made it obvious that it no longer intends to pursue this common defense policy—that it planned to act alone.

There is only one move that can be made now if California is to protect its present and future water supplies.

The people of this state and all their senators and congressmen must get out and fight!

Otherwise, the waters of the Lower Colorado will be drained off so extensively by the Central Arizona and other projects that the great Metropolitan Aqueduct will run dry, the California economy will be effected and thousands of Californians will face the ruin that goes with lack of sufficient water.

[From the Denver (Colo.) Post, March 19, 1967]

WATER: EVERY MAN FOR HIMSELF

The biggest mistake Interior Secretary Stewart Udall could make in assessing the Colorado River hearings in Washington would be to assume that Colorado and other upstream states are perverse in expressing purely local viewpoint.

To some extent, we're forced to seek limited goals—for two reasons:

Udall himself has offered his Central Arizona Project (CAP) legislative proposal as a purely local benefit (including a federal subsidy) for Arizona. We in the upper basin have had to react by pushing our own interests.

The administration has abandoned national water planning as a contemporary fact of life. Udall is willing to study the idea in the abstract but that isn't enough for water-short areas in the Southwest. As a result, it's every man—or state, or region—for himself.

What we need in the long run is intelligent planning on a regional and national basis. This concept should be responsive to local interests. Some of the most comprehensive knowledge on how water can be used is available in states and regions.

But having said that, there is no question about the necessity for studies of future water use on an intensive scale we have not yet seen.

Considering population trends and food needs how much priority should be placed on irrigation over the next couple decades and for what kinds of crops? How much industry should there be—in relation to water use—in dry areas of the West? What kind of industry?

In the absence of a specific interest in these questions by a specific governmental agency—and we're thinking of Udall's Interior Department—the people of regions and states have no alternative but to fight for local projects as a *quid pro quo* to the parochialism shown by Stewart Udall toward his home state.

We're not speaking theoretically. Arizona is not alone in having water shortages. The well-drilling squabbles in Colorado's legislature is an indication of an incipient drought crisis. A dry year would bring serious shortages in basins all over the state.

What we need is a combination of practical reclamation efforts, as Rep. Wayne Aspinall, D-Colo., so ably represents in Washington, and some really visionary priority-setting under state and federal leadership. We think that would include a specific call for study of diversion of water from water-rich areas.

But, basically, we need leadership and it can only come from Washington. We hope to secure that leadership as a supplement to our own efforts which, in the absence of leadership, must remain "local."

[From the Los Angeles (Calif.) Times, Mar. 10, 1967]

COMPROMISE ON THE COLORADO

The Battle of the Colorado River will be resumed Monday in Congress with new plans and new tactics. The fighting, however, will be as senseless and unnecessary as ever.

Again the states of the Pacific Southwest will be quarreling over how to divide future water shortages rather than working to bring surplus water from other areas into the meager Colorado.

Last year California and the rest of the states of the Colorado River Basin were joined as allies in support of legislation that would assure them enough water to meet their future needs.

Now, however, the allies threaten to become adversaries, a division that could be disastrous for their common cause.

The only "victors" would be those members of Congress from the Pacific Northwest

who are determined that every drop of the vast surplus of Columbia River water should continue to be wasted into the Pacific Ocean instead of used to relieve compelling shortages in other states.

The split in the Southwest is the result of an extraordinary flip-flop by Interior Secretary Stewart Udall, whose new regional water development plan repudiates most of his earlier proposals. About the only resemblance to the previous plans is authorization of the \$1.2 million Central Arizona Project.

The latest Udall proposal backs down on the necessary dams for the project, makes no provision for augmentation of the Colorado and dismisses the all-important guarantee to California of the 4.4 million acre-feet of water specified in the Colorado River Compact.

Even many Arizonans were enraged by this collection of concessions despite its provision for their long-cherished project. Secretary Udall has "double-crossed his own state," declared Arizona State Sen. Ray Goetze, Natural Resources Committee chairman.

California has explored every avenue of compromise and still desires to support Arizona, but not at the expense of our fundamental water rights.

To that end, Rep. Craig Hosmer and Sen. Thomas Kuchel have introduced compromise bills for CAP construction and for augmentation studies that are in the best interests of all Colorado Basin states. A number of other legislators are joined as co-sponsors, and Gov. Reagan has spoken out in strong support of the bills.

"Legislation to authorize the Central Arizona Project," said Reagan, "must recognize that the dependable water supply of the Colorado available to the Lower Basin is insufficient to meet existing uses plus the requirements of the CAP."

It is as simple as that. There just isn't enough water in the river, and all the arguing among the Colorado Basin states won't alter that obvious fact.

The sooner that all the states of the Southwest face up to reality the sooner will a proper solution to their water shortages be achieved.

[From the Los Angeles (Calif.) Herald-Examiner, Feb. 21, 1967]

THE BIG FAULT

California's U.S. Sen. Thomas Kuchel has thrown a stop-gap bill into Congress designed to continue protection of the 4.4 million acre feet of Colorado River water annually guaranteed to California.

What this bill really amounts to is the opening of a new battle in Congress to conserve and distribute to all of the Southwest states whatever water becomes available over the next quarter century.

The heart of it is what it always has been, a comprehensive study of the availability of a small portion of the 180 million acre feet of water from the mighty Columbia River which annually goes to waste in the Pacific Ocean. This demand for such survey also is included in the Kuchel bill.

Secretary of the Interior Stewart Udall has thrown a monkey wrench into the plans of the Southwest states by dismissing California's guarantee of 4.4 million acre feet annually from the Colorado by declaring this now must become a matter of congressional determination.

It is significant that although some years ago the battle for the waters of the Colorado was between only two states, California and Arizona, now the other states along the Colorado have become seriously involved.

The influential Denver Post, for instance, relates the woes of Colorado in an editorial which includes the following:

"He (Udall) would drop plans to build dams in Grand Canyon—which we have suggested. But he also would drop plans to study

importation of water from the Pacific Northwest—plans we think are vital.

"Logically, if it makes sense for Arizona to borrow surplus waters from other states upstream on the Colorado River it makes sense to consider importation of surplus water from the Pacific Northwest."

In other words, what's good for the goose is good for the gander, and if you are going to take water away from Colorado why not take it away from Washington and Oregon when the taking of normally wasted water is vitally necessary for the existence of arid areas?

On Arizona's part, the people there are not too happy, either. They must either gain the cooperation of other states to help them get Federal funding for their Central Arizona Project for irrigation or try to do the job alone at vast cost to the state's citizens.

The Phoenix Gazette laments editorially that:

"In retrospect it seems quite likely that our state's mistake last year was in tying itself down to specific plans and compromises without first having an airtight commitment from others which would have resulted in passage of project (CAP) legislation."

Last year, Arizona and California had finally reached the ultimate in rapport.

California was going to support legislation authorizing the Central Arizona Project and Arizona was to acknowledge California's right to 4.4 million acre feet of Colorado River water annually. Other Western states had joined in this important mutual accord.

And then there was a slipup and the necessary Federal legislation failed to pass in the closing days of that Congress.

What has just occurred, the new and vastly revised Stewart-Udall formula is due, we believe, to a gradual thaw and breakup of the Western states friendship treaty. This newspaper always has urged the necessity of such a treaty organization. We hope the senators, congressmen and governors of the Western states push for its revival again in rousing fashion.

[From the Monrovia (Calif.) News Post, Feb. 20, 1967]

LONG-RANGE NEEDS: UDALL WATER PLAN IS AWASH

Dividing scarcity is an exercise in futility, yet this is what Secretary of Interior Stewart Udall now proposes for the Colorado River Basin.

Three years ago the secretary endorsed a sensible regional water conservation plan that included a guarantee of all the states' basic rights to water.

It included the Central Arizona Project to bring water to Phoenix and Tucson and lifted sights to the time when water would have to be imported into the basin from other sources.

Implementation of regional water plans depends on funds to be obtained from the sale of power to be generated at proposed Marble Canyon and Bridge (Hualapai) Canyon dams.

Now in an astonishing reversal, Mr. Udall has abandoned this imaginative and realistic regional approach in favor of a Central Arizona Plan without the dams, but with construction of a thermal power plant. It is a retreat from pressure opposing the two dams in the name of "conservation."

And it is a plan that will again divide the basin into sectionalism, set neighbor state against neighbor state in a fight for water that does not exist and put the Interior Department further into thermal generation, where it does not belong.

There simply is not enough water in the Colorado Basin to serve the needs of the 190,000 square mile area. The river produces about 16.5 million acre-feet of water a year. Demands on this source total about 17.8 million acre-feet.

Without outside sources of water, construction of the Central Arizona Project

would divert 1.2 million acre-feet to Phoenix and Tucson and cut California's fundamental right to 4.4 million acre-feet in half. It is a plan the Golden State could not tolerate.

There fortunately is a sensible compromise between the original plan for a regional program and the unthinkable retrogression of Mr. Udall. It is in the measure introduced by Sen. Thomas Kuchel, Republican of California, patterned after a bill approved by the House Interior Committee last year.

It would reinstate the original regional approach, but construct only the Hualapai Dam, 80.8 miles down-stream from Grand Canyon National Park at the headwaters of Lake Mead. As a concession to "conservationists" Marble Canyon Dam, 12.5 miles above the eastern boundary of Grand Canyon National Park, would be eliminated. California's basic water rights, fundamental in any plan, would be protected.

It is a minimally essential plan to protect the regional approach and provide long range water needs of the Colorado River Basin that should be approved by Congress.

[From the San Jose (Calif.) News, Feb. 18, 1967]

NEW WATER PLAN THREAT TO STATE

The Colorado River is now flaming again, and the front line currently is on the banks of the far away Potomac.

A combine of senators from thirsty Arizona and jealously apprehensive Washington state have introduced a bill that runs completely counter to California's interests.

The bill would revive in modified form the Arizona water project which failed to get through the 89th Congress. Two of the modifications are deadly, from California's point of view. Missing from the bill are a guarantee that California will continue to get some Colorado River water and that a study will be made of the possibility of exporting excess water from the Pacific Northwest.

Sen. Kuchel of California has introduced his own bill which includes these vital provisions.

The state of Washington does not want anyone even talking about taking water out of the Northwest. And Arizona is willing to go along with this, apparently feeling that an alliance with the Northwestern bloc will be powerful enough to put the bill through. And it well might.

One sponsor of the anti-California measure is Arizona's Sen. Carl Hayden, chairman of the potent Appropriations Committee. Another sponsor is Washington's Sen. Henry M. Jackson, chairman of the Interior Committee, which will conduct hearings on any Colorado River bill that stands a chance of getting to the floor.

And the Hayden-Jackson bill is not far removed from the latest Colorado River plan of Interior Secretary Stewart Udall, himself an Arizonan.

That is a tough combination to beat. Sen. Kuchel may have to call in all the political IOUs he has collected in the Senate over the years to curb this anti-California move. The state's delegation in the House of Representatives must start mobilizing its resources as well.

The Kuchel bill, like its predecessor which was killed last year, benefits Southern California. This is important to the northern section of the state, however, because a thirsty South can be a heavy drain on the North's water supply.

[From the Torrance (Calif.) S. Bay Daily Breeze, Feb. 13, 1967]

A RATIONING OF SCARCITY

Dividing scarcity is an exercise in futility, yet this is what Secretary of Interior Stewart Udall now proposes for the Colorado River Basin.

Three years ago the Secretary endorsed a sensible regional water conservation plan

that included a guarantee of all the states' basic rights to water.

It included the Central Arizona Project to bring water to Phoenix and Tucson and lifted sights to the time when water would have to be imported into the basin from other sources.

Importation of water studies depended in a large part on funds to be obtained from the sale of power to be generated at proposed Marble and Bridge (Hualapai) Canyon Dams.

Now, in an astonishing reversal, Mr. Udall has abandoned this imaginative and realistic regional approach in favor of a Central Arizona plan without the dams, but with construction of a thermal power plant. It is a retreat from pressure opposing the two dams in the name of "conservation."

And it is a plan that will again divide the basin into sectionalism, set neighbor state against neighbor state in a fight for water that does not exist and put the Interior Department further into thermal generation, where it does not belong.

There simply is not enough water in the Colorado basin to serve the needs of the 190,000-square-mile area. The river produces about 16.5 million acre feet of water a year. Demands on this source is about 17.8 million acre feet.

Without outside sources of water, construction of the Central Arizona Project would divert 1.2 million acre feet to Phoenix and Tucson and cut California's fundamental right to 4.4 million acre feet in half. It is a plan the Golden State could not tolerate.

There fortunately is a sensible compromise between the original plan for a regional program and the unthinkable extreme of Mr. Udall. It is in the measure introduced by Sen. Thomas Kuchel, Republican of California, patterned after a bill approved by the House Interior Committee last year.

It would reinstate the original regional approach, but construct only the Hualapai dam, 80.8 miles downstream from Grand Canyon National Park at the headwaters of Lake Mead. As a concession to "conservationists" Marble Canyon dam, 12.5 miles above the eastern boundary of Grand Canyon National Park, would be eliminated. California's basic water rights, fundamental in any plan would be protected.

It is a minimally essential plan to protect the regional approach and provide long-range water needs of the Colorado River basin that should be approved by Congress.

[From the San Diego (Calif.) Union, Feb. 11, 1967]

KUCHEL'S REGIONAL PROPOSAL IS SENSIBLE: UDALL WATER PLAN DOESN'T WASH

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[From the Tucson (Ariz.) Citizen, Feb. 7, 1967]

NEW CAP PLAN Baffles STATE

Gov. Jack Williams expressed bewilderment last week when he was advised of a drastically revised Central Arizona Project proposed by the Johnson Administration.

The Arizona governor could have added that he was stunned. He, as were most Arizonans, was caught completely off guard by Interior Secretary Stewart Udall's proposal which reduces the seven-state regional plan to a three-county Arizona plan. Sen. Paul Fannin was wise to call at once for a meeting of Arizona's congressional delegation with state leaders.

The last session of Congress considered a blockbuster \$2.1 billion regional water plan to develop water resources in the lower Colorado River Basin. The Central Arizona Project was part of the regional plan. So were two dams on the Colorado River, Hualapai and Marble Canyon dams.

The bill made more progress than ever before, but it still died in committee. Some of the seven states, including Arizona, vowed to renew the quest for vital water in the 90th Congress.

So far Arizona and two other states have introduced bills which are modified versions of the last session's seven-state regional plan. Arizona's, for instance, whittled the bill down by eliminating one of the two controversial dams opposed by the conservationist Sierra Club.

These states and Congress in general were caught by surprise by Secretary Udall's unexpected \$719 million scaled-down plan. Reaction generally was complete bewilderment, but among Arizona legislators bewilderment slowly has turned to anger.

Secretary Udall's plan, if translated into legislation, means that Congress will enact legislation which would increase costs of water users and real property taxpayers in just three counties of one state.

And, this is what makes Arizonans angry. If the CAP is going to be an Arizona affair only, why is this a matter just for Con-

gress to decide? And why is it necessary to abandon the Marble Canyon Dam, which would not spoil the Grand Canyon and which would help finance CAP?

Certainly, Arizona is in a better position than Congress to determine how to proceed with a project that will be of benefit to the entire state, not just to three of the state's counties as Secretary Udall's plan suggests.

[From the Oakland (Calif.) Tribune, Feb. 7, 1967]

CANYON FIGHT

When he announced that the Administration was dropping its plans for building two controversial dams in the Grand Canyon area, Interior Secretary Stewart L. Udall denied that this represented capitulation to conservationists who opposed them.

"This is not a big victory for anyone," Udall said. "It's a victory for common sense."

If the new Colorado River development plan represents a "common sense" approach, why didn't the Administration propose it last year?

[From the Long Beach (Calif.) Independent Press-Telegram, Feb. 5, 1967]

LITTLE CHOICE BUT TO FIGHT UDALL PLAN

Interior Secretary Stewart L. Udall has scuttled the regional plan for Colorado River development.

Instead, he announced support for immediate construction of the Central Arizona Project. Under his proposal, all other major elements in the regional plan would be either abandoned or left in indefinite suspension.

To California water officials the latest approach is flatly unacceptable because it junks a guarantee that this state will get annual delivery of 4.4 million acre-feet of water from the Colorado.

This minimum allotment was a vital part of the package legislation introduced in Congress a year ago with the endorsement of all seven of the Western and Southwestern states directly concerned. It was no less integral to the regional plan than the building of aqueducts to Central Arizona.

Udall told a Washington press conference that the new proposal has the support of the White House and the Budget Bureau. It also was welcomed by Sen. Henry M. Jackson, D-Wash., influential chairman of the Senate Interior Committee. His attitude probably reflects that of other lawmakers from the Northwest.

The California delegation in Congress thus faces a formidable challenge, as was implicit in the shocked reactions of Sen. Thomas H. Kuchel and Rep. Craig Hosmer.

Neither Kuchel nor Hosmer had taken it for granted that the regional plan would be adopted intact. It was accepted by the seven states after long discussions in 1965, but it never got out of committee after the bill was introduced early in 1966. Pacific Northwest interests, the conservationist Sierra Club and other behind-the-scenes groups combined to stall action.

But there was hope that some workable variation could emerge from Senate and House committees. While California supported the whole bill, its spokesmen were willing to make concessions on almost any point except the 4.4 million acre feet guarantee.

That is still the position of the Colorado River Board of California, a state agency better informed than anyone else on the state's water needs.

It seems doubtful now that a genuine regional approach can be salvaged this year. The attempt should be made, however, if any reasonable opportunity appears.

If not, Californians and their friends in the river valley and elsewhere will have no choice except all-out resistance to the Udall proposal for the Central Arizona project.

[From the Riverside (Calif.) Enterprise,
Feb. 5, 1967]

UDALL UNDERCUTS THE WATER PLAN

The fight for comprehensive regional treatment of the West's water problems is by no means lost. But it has been made much more difficult by Secretary of the Interior Stewart Udall's surprise retreat from the basis of the seven-state plan agreed upon last year.

Mr. Udall's new plan would satisfy Arizona interests that are pushing for more water for Phoenix and Tucson. Also it will come as a relief to conservation groups that have been fighting the proposed Hualapai and Marble Canyon dams on the Colorado River.

But it would do so at the expense of a guarantee that California will retain a survival ration of 4.4 million acre feet of water annually from the Colorado until such time as that river is reinforced by an annual flow of 2.5 million acre feet diverted from the Pacific Northwest.

The Udall plan also torpedoes a regional study of the feasibility of sending south a small portion of the water that now cascades down the Columbia and spills, unused, into the Pacific. In its place would be a much more general study to be made on a nationwide basis by a national water commission yet to be created. That's a format for endless delay.

Finally, by eliminating the hydroelectric dams in favor of a more constricted output of steam-generated power, the Udall program removes a large source of public revenue that would have underwritten both the Central Arizona project works and at least the early stages of the Pacific Northwest development. The Secretary says the three Arizona counties that stand to benefit could pay for the Central Arizona Project.

But how is the larger program to be financed? The Secretary doesn't say.

What he has undercut here is an infinitely delicate and finely balanced compact among the seven states of the Colorado River watershed. The compact ended decades of unproductive feuding between California and Arizona, but only by virtue of the guarantee to California of interim Colorado River water and the prospect of fresh water from the Northwest.

It is clear that the Udall plan serves neither California's rockbottom needs nor the newfound unity among the Colorado Basin states.

Having failed to secure proper leadership through the executive branch it now becomes important for the seven states to stick together, for Arizona to be persuaded of the long-run dangers of trying to go it alone, and for the battle for a rational regional water plan to be pressed harder than ever in Congress. The campaign that has been going badly in the Interior Department can still be won on Capitol Hill.

[From the Los Angeles (Calif.) Herald-Examiner, Feb. 5, 1967]

THE BIG SWITCH

Secretary of the Interior Stewart Udall has, to use an old expression, sold California down the river—the Colorado—through his newly announced plan for settlement of the Colorado River basin controversy.

Instead of helping to maintain a spirit of cooperation which had finally been built up until recent months between California, Arizona and the other Colorado River basin states, he only has succeeded in botching the well laid plans previously pressed to guarantee the states their fair share of Colorado River water.

Among the details of his plan which will work against California's interest are:

1. No guarantee to California that it will retain its 4.4 million acre-feet annual guarantee of Colorado River water. Instead, Udall would leave that determination up to Congress.

2. No specific study of new water imports such as from the Columbia River, where more than 170 million acre feet of water annually wastes in a great flood into the ocean.

Instead, the Secretary would urge a "national study" to survey all water resources on a national scale. This opposes the principle which had been agreed upon by most of the western states who wanted a specific study to be made of possible water imports to the Colorado River to supply the wants of all western states.

Secretary Udall tried to explain his amazing new position on the Colorado River problem by declaring that his plan would result in a lower cost (presumably because of the decision not to construct the two major dams), and to eliminate controversy among the states.

If Mr. Udall thinks he is eliminating controversy among the states he will discover that this time he really has stirred up a hornets' nest.

California's U.S. Senator Thomas Kuchel declared that Udall "has performed a bewildering somersault, shattering the regional approach to solving the Colorado Basin water problem by reversing the principles he espoused before."

It is the belief of this newspaper that Mr. Udall has succumbed to the threatening attitude of Washington and Oregon national lawmakers, whose "dog in the manger" attitude would forever deprive California and other western states of additional water from the Colorado.

If that is the case, those backing Secretary Udall's so-called administration plan will discover that the legislators from California, the nation's largest state, also can make themselves heard in Washington.

[From the Los Angeles (Calif.) Times,
Feb. 3, 1967]

UDALL'S WATERY "COMPROMISE"

Interior Secretary Stewart Udall has proposed an astonishing new plan for regional water development in the Pacific Southwest that is neither regional in scope nor creative in development.

It is, in fact, not so much a plan as a series of concessions.

The Colorado River Basin "compromise" announced Wednesday by Udall bears little resemblance to the imaginative concept of regional co-operation he once championed. Three years ago the secretary was urging the Basin states to join in developing new sources of supply so that present rights could be protected and future needs satisfied.

With Secretary Udall's support, the seven states served by the Colorado agreed last year on the introduction of legislation that would achieve the individual and collective aims of the states.

That regional approach is "rudely shattered" in Udall's new proposal, declared Sen. Thomas Kuchel (R-Calif.) one of the leaders in Congress most responsible for the progress that had been made. "The principles the secretary once espoused," said Sen. Kuchel, "are suddenly abandoned now. We have a right to ask: 'Why the switch?'"

Why indeed?

Secretary Udall explained that "This is not a big victory for anyone. It's a victory for common sense."

"Conservationist" groups, however, can claim victory in the dropping of plans to build Marble Canyon and Hualapai (Bridge) dams in spite of Udall's earlier insistence that hydroelectric development is essential to the economic integrity of a regional program. And Pacific Northwest members of Congress were victorious in insisting that no provisions for water importation studies be included.

Many Arizonans also will be elected because their cherished Central Arizona Project is included, even though the arrange-

ments for financing and necessary power supply are at least debatable.

Politics thus prevailed, but it was hardly a "victory for common sense."

For as the secretary must know, there simply is not enough water in the Colorado to divert the 1.2 million acre-feet proposed for the Central Arizona Project and still provide the absolute minimum amounts guaranteed by law and court decree to the other basin states and by treaty to Mexico. Without the importation of new water, the CAP could be built only by cutting California's use nearly in half and by taking water granted to the upper Basin States by the original Colorado River Compact.

This is one of the reasons that Rep. Wayne Aspinall (D-Colo.), chairman of the all-important House Interior Committee, expressed immediate opposition to the new Udall plan. Chairman Aspinall had already introduced a bill authorizing the CAP but with provision for importation studies and a guarantee of California's fundamental right to 4.4 million acre-feet.

He and the other Colorado River Basin members of Congress will be awaiting a much fuller explanation of what Sen. Kuchel called the "bewildering intellectual somersault" of Secretary Udall.

It is a time for the Pacific Southwest states again to join in the common cause of sound water development. Or, as the 1963 Secretary Udall put it, if we do not work together, "we shall shrivel separately."

[From the Los Angeles (Calif.) Times,
Jan. 3, 1967]

CONGRESS AND THE COLORADO

When Congress convened one year ago prospects were never brighter for settlement of the prolonged controversy over Colorado River water.

Twelve months later the outlook is anything but optimistic.

California and the other Colorado Basin states in 1965 had reached an historic agreement in support of a regional water development plan. Past differences were suspended in the awareness that only a joint effort could solve individual water shortages.

Each of the seven states yielded something in the resulting compromise legislation. The bill provided for construction of water projects in Arizona and Upper Basin states with a guarantee to California of at least 4.4 million acre-feet from the river, considerably less than our present annual usage.

All-important feature of the bill—the sine qua non of any Southwest regional water plan—was provision for a feasibility study of importing new water into the Colorado River system. Without such importation, the Colorado could not possibly meet the future needs of Basin states.

Although finally afloat, the inter-state legislation soon ran into dangerous political shoals.

First, the militant partisans of the Sierra Club attacked the proposed Marble and Bridge Canyon dams, necessary components of the Central Arizona Project. Club members couldn't prove their contention that the dams would "ruin" the Grand Canyon, but they were able to drum up a lot of uninformed sympathy and thus weaken the regional plan's chances.

Then the Pacific Northwest's representatives moved in to prevent any congressional action that could lead to even the slightest diversion of the vast surpluses of Columbia River water that are wasted annually.

In the face of such opposition, the states fell to quarreling among themselves. Their long-sought unity strained at the seams, and for a time it appeared that only an emasculated bill would emerge from committee hearings.

Fortunately, Congress adjourned before the measure reached the House floor.

In the months that followed, a great deal of soul searching has gone on in the Colorado Basin states. The temptation to scuttle the inter-state alliance and the original regional plan was surely strong, particularly in Arizona, where some water leaders advocate that the state build the Central Arizona Project on its own as a last resort. Other states are prepared to accede to the dam protestors on at least the proposed construction at Marble Gorge.

Worst of all, some basin states seem willing to give up on the feasibility study for water importation.

Yet nothing during the past year has changed the basic principles upon which the original regional plan was built.

Only the stubbornness—and political muscle—of Northwest senators and House members prevents serious consideration of diverting surplus Columbia River water. Only the vehemence of Sierra Club members and like-minded special interests could cause the abandonment of reclamation dam projects in the name of "conservation."

California's congressional delegation must not yield to this counsel of despair. We have joined in a sound and proper compromise to further the common cause of western water development. We recognize the water rights of every other state except the "right" to hoard water that it can never use.

If water justice cannot be achieved this year, let us continue to fight. California, however, must never surrender its fundamental rights on the river for any kind of a spurious political "deal."

UDALL'S PIHSRENTAP

Mr. KUCHEL. Part of the proposed bill, as Senators understand, provides a unique and, I believe, rather dangerous means by which the Federal Government will acquire electricity. Yesterday's Washington Post carried an editorial which began:

Mr. Udall, the Secretary of the Interior has abandoned the public interest.

The Post was discussing the 10th Street Mall, but the Secretary demonstrated his ability to abandon the public interest much more dramatically when he deserted years of work toward regional cooperation in the Colorado River Basin for his 1967 central Arizona project package.

The dean of the Senate [Mr. HAYDEN] and his colleague from Arizona [Mr. McFARLAND] first introduced central Arizona project legislation on February 1, 1947. From that day, until the day 20 years later when the new Udall scheme was blazoned, every supporter of the central Arizona project suggested that new dams and hydroelectric facilities be built on the Colorado River. These hydroelectric facilities were intended to generate pumping power for the central Arizona project water, and to provide irrigation assistance through the sale of power in accordance with reclamation law.

Then, with capricious abruptness, the Secretary announced to the world, and to all of the friends with whom he had worked for years to solve the basin's problems, that in a victory for common sense he had formulated an entirely new scheme.

Briefly, the Secretary will prepay to a group of utilities, \$103 million for the privilege of receiving, for a period of 50 year, the output of 470 megawatts of capacity in a coal-fired, electric generating plant. In addition to paying \$103

million, which represents the capital cost of building 470 megawatts of capacity, the Secretary will pay \$7.2 million per year, the cost of operation, maintenance, and replacement, including the cost of fuel for that 470 megawatt portion of the plant.

Some of the electricity acquired by the Secretary will be used to pump water from the Colorado River into the central Arizona project system. Some will be resold by the Federal Government to help subsidize construction of the aqueduct and other central Arizona project works.

This would be the first venture by the Secretary into the business of selling thermal-generated energy, inaugurating a wholly new policy of Federal participation in thermal generation and sale of electricity.

Secretary Udall says his plan is a beneficial partnership of non-Federal utilities and the Federal Government. In a penetrating analysis of the new Udall scheme, the word "partnership," like the Secretary's position, is reversed. I shall read portions of that analysis from the March 6, 1967, *Electrical World*, entitled "Pihsrentap: A New Policy, or Expediency?"

Washington is watching Interior Secretary Stewart Udall's power purchase plan for the proposed Central Arizona Project [CAP] with much interest, trying to figure out if it is an intentional shift to a new reclamation power policy, or just incidental to an effort to shuck cost and criticism from his earlier, larger Colorado River plan.

As implications of this reversal are still being studied, most reaction hasn't jelled and few public comments have been made.

If Udall's plan is an intentional policy shift, it is highly significant, raising the possibility of a foot in the door toward federal operation or ownership of steam units. One government official sees only a "thin line" between Udall's plan and actual federal ownership of capacity. Interior has, at least, an academic interest in thermal generation, as attractive hydro sites vanish. It would be interesting to know all 34 "alternatives" Udall said were studied for the CAP plan seems to satisfy only the Pacific Northwest. It has stirred up Reclamation traditionalists and Californians. It fails to satisfy conservationists and some Arizonans. It may win Senate approval under Sen. Carl Hayden's aegis, but more likely it will galvanize the House into action on a Colorado Project different from what Udall now proposes.

If the House does indeed become stirred to act on a different proposal, such as Bridge Canyon, Udall would not be overly dismayed—this is his second choice anyway, and the prime choice of the Bureau of Reclamation.

On the other hand, if the purchase proposal does clear the Congress, there is also the chance that utility power requirements could be stiffened, opening up a Pandora's Box. These possibilities—the resurrection of Bridge Canyon or the changing power sale requirements—raises a final question about Udall's plan. Is it only part of an unsuccessful political maneuver? Or is it deliberately aimed at either of these alternatives?

Secretary Udall obviously knew the enormous problems involved in congressional approval for building a big federally owned thermal generating plant, but he might reach the same result without the offensive label of "Federal ownership." What he was really after was Federal control of thermal generat-

ing capacity, and if objections could be stifled by leaving "title" in a "straw man" so much the better.

So Secretary Udall developed a plan to do just that. He decided to—

Contribute the capital cost of a portion of steam generating plant, a cost of one tenth of a billion dollars, and leave title in a group of utilities which own the remainder of the plant.

Build the Federal portion big so there will be more power than is needed to pump project water; the surplus power can be sold commercially to subsidize the water features of the project.

Let the Federal Government hold a mortgage, and keep operational control over the Federal portion of the plant.

Pay the costs of operation, including the cost of fuel, the cost of maintenance, and the replacement cost of the Federal portion of the plant.

At the end of 50 years the American taxpayer will own nothing for the investment of capital costs, operating costs, maintenance costs, and replacement costs in the plant for five decades.

It seems to me that it is an indefensible position to ask the Federal Government to pay half a century in advance, to a group of utilities, public and private, for the electricity the Government intends to use—plus, incidentally, the Government's share of the cost of maintenance, operation, and replacement.

Speaking simply for myself, I hold the Secretary of the Interior, and no other person or agency, responsible for conceiving this scheme. It is against the public interest, and it is one of the features upon which I find myself compelled to vote against the bill on final passage.

Mr. President, I ask unanimous consent that selected portions of the minority views dealing with the power aspects of this bill be printed in the RECORD.

There being no objection, the portions of the minority views were ordered to be printed in the RECORD, as follows:

Under S. 1004, the Federal Government will prepay to three utilities \$103 million (rather than \$92 million as contemplated in the Secretary's scheme). Under S. 1004 the Federal Government each year will pay to those utilities operation, maintenance, and replacement costs of \$7.2 million, rather than \$6.5 million as proposed by the Secretary. The Government would receive the use of 470 megawatts of capacity in the companies' plant.

If the utilities should themselves finance the construction of a steam generating plant, they would pay commercial rates of interest on the borrowed funds. To the extent that the Federal Government finances construction of their plant, the three owners receive the advantages of lower unit costs of a larger powerplant. In effect, S. 1004 makes available to the utilities over one-tenth of a billion dollars of Federal money interest free, save for minimal interest during construction, to construct a company-owned plant which will sell energy to the Federal Government.

THE SECRETARY WILL ENGAGE IN LARGE-SCALE COMMERCIAL SALES OF STEAM-GENERATED POWER

The Federal steamplant will generate large quantities of energy for commercial sale,²⁸ to subsidize the Arizona water users, in addition to subsidizing their aqueduct. This is, in part, due to the fact that the size of the

aqueduct has been inflated by S. 1004 to a capacity of 3,000 cubic feet per second, 40 percent larger than the one the Secretary first proposed (1,800 cubic feet per second), and 25 percent larger than the one to which the other States reluctantly agreed in the 89th Congress (2,500 cubic feet per second). The 470,000 kilowatts of steam-generated power which the Secretary will own is calculated to furnish the power needed for pumping enough water to fill a 3,000-cubic-foot-per-second aqueduct; this is about 2 million acre-feet annually. But there will not be that much water available. The Secretary concedes that he expects to sell surplus power from the very beginning, and these sales will rise to 1,510 megawatt hours annually, more than the combined output of Parker and Davis powerplants.

There will not be 2 million acre-feet to pump through a 3,000-cubic-foot-per-second aqueduct unless the upper basin is denied the right to accumulate storage in Lake Powell as other features of this bill contemplate. The same water cannot be stored in Lake Powell and drained out of the river through an oversized Central Arizona aqueduct. As the available water decreases, the sales of commercial power will grow.

FEDERAL COMMERCIAL SALES OF STEAM-GENERATED POWER UNDER S. 1004

Year	Power sold (millions of kilowatt- hours)	Revenue at 5 mills per kilowatt-hour (thousands)
1973.....	175	\$875
1974.....	175	875
1975.....	224	1,120
1976.....	228	1,140
1977.....	274	1,370
1979.....	320	1,600
1980.....	365	1,825
1981.....	410	2,050
1982.....	458	2,290
1983.....	504	2,520
1984.....	549	2,745
1985.....	597	2,985
1986.....	641	3,205
1987.....	687	3,435
1988.....	734	3,670
1989.....	778	3,890
1990.....	824	4,120
1991.....	855	4,275
1992.....	886	4,430
1993.....	915	4,575
1994.....	946	4,730
1995.....	976	4,880
1996.....	1,006	5,030
1997.....	1,037	5,185
1998.....	1,066	5,330
1999.....	1,097	5,485
2000.....	1,124	5,620
2001.....	1,139	5,695
2002.....	1,156	5,780
2003.....	1,171	5,855
2004.....	1,185	5,925
2005.....	1,201	6,005
2006.....	1,217	6,085
2007.....	1,232	6,160
2008.....	1,247	6,235
2009.....	1,264	6,320
2010.....	1,279	6,395
2011.....	1,294	6,470
2012.....	1,310	6,550
2013.....	1,325	6,625
2014.....	1,340	6,700
2015.....	1,356	6,780
2016.....	1,372	6,860
2017.....	1,387	6,935
2018.....	1,402	7,010
2019.....	1,418	7,090
2020.....	1,433	7,165
2021.....	1,448	7,240
2022.....	1,464	7,320
2023.....	1,480	7,400
2024.....	1,495	7,475
2025.....	1,510	7,550
Total.....	50,976	254,880

THE PREPURCHASE ARRANGEMENT AMOUNTS TO FEDERAL OWNERSHIP OF STEAM-GENERATING FACILITIES

Although bare "title" to the Federal portion of the steamplant, having a generating capacity of 470 megawatts, will remain with the three participating non-Federal agencies, the Secretary will assemble a cluster of rights and privileges which, when taken together,

will bear no definition short of "Federal ownership." The Federal Government will pay the total construction cost of 470 megawatts of capacity in the powerplant, associated switchyard and transmission facilities; it will pay the total cost of operation, maintenance, and replacement allocable to that 470 megawatts of capacity in the steampower plant; it will hold "adequate security for the Government's investment," presumably meaning that upon default by any of the three participating agencies in its obligations, the Federal Government would acquire title to that portion of the plant; and, finally, it will become a seller of substantial quantities of steam-generated power.

Mr. KUCHEL. Mr. President, on June 5, 1967, Mr. Alex Radin, general manager, American Public Power Association, wrote each member of the Senate Interior Committee, to spell out the association's strong objections to Secretary Udall's new proposal. I ask unanimous consent that Mr. Radin's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN PUBLIC POWER ASSOCIATION,
Washington, D.C., June 5, 1967.

Hon. THOMAS H. KUCHEL,
U.S. Senate, Washington, D.C.

DEAR SENATOR KUCHEL: The American Public Power Association is a national trade organization representing more than 1,400 local publicly owned electric utilities, mainly municipal systems, in 45 States, Puerto Rico, and the Virgin Islands.

On May 11, 1967, at the APPA 24th annual conference held in Denver, the Association's membership adopted the attached resolution endorsing Federal construction of Hualapai Dam on the Colorado River and investigation of a proposed 5 million kilowatt pumped storage project at this site. The resolution opposes the principle proposed by the Secretary of the Interior in S. 1013 which would substitute a plan calling for pre-payment to utilities for steam power in place of Federal construction of the hydroelectric plant at the Hualapai Dam site. In addition, the resolution reaffirms the Association's support of a National Water Commission.

Because our resolution was adopted after the close of hearings conducted by your Committee on S. 1013, it was of course not possible for us to submit our views at the hearings. We are therefore taking this means of transmitting our resolution to you and the other members of your committee, and would also like to elaborate somewhat on the position taken in our resolution.

In February, 1967, Secretary Udall announced his proposal by which the Federal government would pre-pay for 400 megawatts of power from a non-federal thermal plant to obtain pumping power for the Central Arizona Project. He has termed this plan "non-controversial"; however, a pre-payment plan constituting a purchase of power represents a major step away from Federal multiple-purpose water resource development policies and programs approved by Congress in the past and eliminates entirely the concept of hydroelectric power as a "paying partner" for reclamation.

The Colorado River is the life-blood of many thousands of people throughout the Colorado River Basin. Taken together, existing and planned dams on the Colorado constitutes a system for conserving and utilizing water resources for the entire Pacific Southwest. They provide power, flood control, water storage, stream flow control and distribution of water for irrigation, municipal and industrial uses, silt control, recreation, and fish and wildlife conservation. The components of the basin system do not all provide the same services or to the same degree;

indeed, they are not designed to do so. On the contrary, they supplement and complement each other.

Hualapai Dam would constitute a new part of the system. It would provide power, water storage, and silt control. Its power plant would be integrated with other regional generating plants, both hydraulically and electrically.

An essential component of Hualapai Dam is the power generating capability of this project which could provide substantial revenues—not only for repaying the reimbursable costs of the dam, but also for a development fund financing facilities to make maximum use of existing water in the region. Under the Administration proposal, however, the Government would share in the cost of the power plant without benefit of ownership or the revenues that would accrue from Government construction of the dam.

An innovating approach to Hualapai Dam, made possible by technological advances, was proposed by Floyd Goss, Chief Electrical Engineer and Assistant Manager of the Los Angeles Department of Water and Power, earlier this year. By use of reversible pump turbines, a 5 million kilowatt peaking pumped-storage project could be constructed at the Hualapai site. The Los Angeles analysis of this proposal indicates its feasibility and its economic benefits.

Growing demand for electricity in the Southwest, plus the necessary increased use of thermal plants, insures the marketability of this peaking power. In the years 1970 to 1980, an additional six to nine million kilowatts of peaking power will be required in the states surrounding the Hualapai site, and by 1990 the regional need for peaking power will reach approximately 19 million kilowatts. These states are interconnected with other states, which will also provide a market area for this power.

While power available from the development of the Hualapai site will serve Arizona, Southern California, and Southern Nevada directly, its influence will extend broadly over the area referred to as Region VIII by the Federal Power Commission, which encompasses most of Arizona, Nevada and California.

Region VIII is in the midst of a tremendous population explosion. Southern California is expected to have 30 million people by the year 2000. The Phoenix metropolitan area is expected to reach 2.5 million by the year 2000.

FPC projections indicate that overall per-capita energy demand will grow in a spectacular fashion. In Southern California and Central Nevada, the per-capita demand will increase from the current average of 4200 kwh per annum to over 10,000 by 1990; in Arizona, the per-capita demand will increase from 8300 kwh per annum to 14,200. In Region VIII from 1965 to 1980 the total peak demand for power will increase from about 20 million KW in 1965 to 52 million KW in 1980.

In view of the historic role of Federal power in this region, and in recognition of the fact that power produced from the Lower Colorado River project will be marketed under Reclamation law, every effort should be made to insure that preference customers are given a full opportunity to share equitably in the benefits of hydro peaking capacity—directly or indirectly.

If the feasibility analysis made by Los Angeles is confirmed, the American Public Power Association endorses prompt construction of the project by the Federal government, in conjunction with the traditional preference clause for marketing the output of the project. We believe that a potential asset of 5 million kilowatts of capacity, and 5 billion kilowatt-hours of energy, available to preference customers, is too important a resource to forgo.

The Administration has recommended deferral of authorization of Hualapai Dam be-

cause of concern over scenic considerations. We feel the project's cost-benefit ratio and the future demands for power suggest that it be made an integral part of the Lower Colorado River development now. From the standpoint of accepted tests of economic and financial feasibility, Hualapai Dam represents an exceptionally sound investment. Further, it lays an impressive financial foundation for works to develop the water supply of the Colorado River for the future. The effects of Hualapai Dam on the scenic grandeur of the Grand Canyon would be imperceptible, while access to more remote portions of the Grand Canyon would be greatly enhanced. Construction of Hualapai Dam would enable thousands of people annually to appreciate the scenic beauties of areas of the Canyon which only a handful of "river-runners" are able to view today. We feel that deferring action on this aspect of the project on the ground of destroying aesthetic values is not justified.

In 1919, when Grand Canyon National Park was created by an act of Congress, the necessity for multiple use was anticipated, requiring the balancing of water-development and park-preservation values. Accordingly, the following language was included in the Act:

"That whenever consistent with the primary purposes of said park, the Secretary of the Interior is authorized to permit the utilization of areas therein which may be necessary for the development and maintenance of a Government Reclamation project . . ."

In the debate in the House at that time, Arizona's Senator Carl Hayden, then a Representative, expounded the purpose of this amendment as follows:

The provision contained in the bill would authorize the Secretary of the Interior, when consistent with the primary purposes of the Park—that is, not to impair the scenic beauty—to allow storage reservoirs to be constructed for conserving the water of the Colorado River for irrigation purposes.

Furthermore, as Hualapai Dam (formerly called Bridge Canyon Dam) relates to Grand Canyon National Monument, which was established with its present boundaries by Presidential proclamation on December 22, 1932, there is the following letter of January 11, 1933, from Horace M. Albright, then Director of the National Park Service, to Dr. Elwood Mead, then Commissioner of Reclamation:

As I see it, the Bridge Canyon Project is in no way affected by the Grand Canyon National Monument proclamation . . . We have had in mind all the time, the Bridge Canyon project. While I did not handle this personally, I am absolutely certain that the men who did handle it for me kept the project in mind in formulating the Grand Canyon National Monument plan.

Thus, we have this evidence of long range recognition, extending back to the days when the National Park and Monument were created, that ultimately there would be a Reclamation project that would affect the Park and Monument.

Although Hualapai Dam would not invade the Grand Canyon National Park, it has been claimed that if reclamation projects are constructed within national parks, a dangerous precedent may be established which will threaten the unaltered appearance of all our National Parks. This argument is misleading. There are at least four precedents, that I am aware of, for combining reclamation projects and national parks.

1. Jackson Lake Dam is within Grand Teton National Park. It stores water for the Minidoka Reclamation Project, providing irrigation for 1,162,000 acres of land in Southern Idaho. Although the Park was created after the dam was built, this is recognition by Congress that a reclamation project may complement a national park.

2. The reclamation reservoir behind Shoshone Dam is almost entirely within Glacier National Park. In this instance the park was created first. The Milk River Project which it serves provides irrigation for 120,000 acres around Havre Montana.

3. The Lower Two Medicine Dam also is in Glacier National Park. This is a Bureau of Indian Affairs operation for the benefit of the Black Feet Tribe. While it was washed out last year, it is now being rebuilt by the Bureau of Reclamation.

4. Fontana Lake forms the boundary for miles of Great Smoky Mountains National Park and provides 248 miles of shoreline. It was built by TVA for power generation and flood control.

No one has asserted that Grand Teton, Glacier, or Great Smoky Mountains are less majestic because of these dams. To the contrary, an argument can be made that their beauty and usefulness have been greatly enhanced.

Some contend that Hualapai Dam would "flood" the Grand Canyon. If a dam could be built big enough to flood the Grand Canyon, the stored water would solve the water problems of the Pacific Southwest for centuries. Nobody advocates this solution to the water problem.

The fact is that after the Hualapai Dam reservoir is constructed, over 99 percent of the park will remain in its natural condition. The Colorado River forms the northwest boundary for the Grand Canyon National Park and serves as the southern boundary for most of the Grand Canyon National Monument. Hualapai Dam would back water up the Colorado for 93.8 miles, and the last 13 miles at the head of the reservoir would form the park boundary. Hence, the water impounded by Hualapai Dam would not back up "into" the park or "throughout" the monument. Nor can it be considered to "flood" this area. For instance, the normal level of the river at the extreme northwest boundary of the park with Hualapai Dam would be raised by only 90 feet, and this added depth would decrease to nothing 13 miles upstream. The canyon wall of the inner gorge at this point is 1200 to 1500 feet above the river bed. Furthermore, this stretch of river is inaccessible by normal means and cannot be seen from any viewpoint on the canyon rim within the park. A stretch of 104 miles of natural river will remain between the headwaters of Hualapai Dam and the Marble Canyon Dam site. This 104 miles of natural river will include about 91 miles within the boundaries of Grand Canyon National Park. The same matchless and unaltered view will be available from the North or South rims. The same mule-back trips or long arduous foot descent and climb will be possible and in no way deteriorated or impaired.

The National Park Service has reported that from 1955 to 1963, 1,300 persons made the boat trip through the Grand Canyon and viewed the area where Hualapai Dam reservoir would be if the project were constructed. Accessibility to this part of the river would be increased. The National Park Service estimates that hundreds of thousands of people would be able to visit the area annually. The beauty of the Hualapai Dam reservoir would be comparable to that of Lake Powell and Flaming Gorge. Making this area accessible to interested persons is certainly consistent with the National Park program. Creating a lake with the beauties of Flaming Gorge and Lake Powell is certainly not inconsistent with the objectives of the National Park program.

Intrinsic to the APPA resolution endorsing development of the Hualapai site is the creation of a separate National Water Commission as approved this year by the Senate Independent of any government agency, this commission would be able to make an objective study of water resources and needs of the nation, and to formulate recommenda-

tions for meeting projected water needs. Without a specified importation proposal, development of Hualapai Dam proposes no threat to the present water supply of any region of the country. Water needs and methods of meeting these needs would be entirely within the jurisdiction of the National Water Commission, which could consider, among other matters, means for further supplementing the water supply of the Southwest.

APPA urges that the Senate Interior Committee support Federal development of the Hualapai site, and encourage immediate studies by the Department of the Interior of the feasibility of the Goss plan to insure maximum utilization of this reach of the Lower Colorado River.

Sincerely,

ALEX RADIN.

ENDORSEMENT OF MAXIMUM DEVELOPMENT OF HUALAPAI DAM SITE

The American Public Power Association approves and endorses the maximum development of the nation's hydroelectric sites as sources for electric power to satisfy the needs of public agencies. The Association opposes the principle proposed by the Secretary of the Interior in S. 1013 which would substitute a plan calling for pre-payment to utilities for steam power in place of federal construction of the badly needed hydroelectric plant at the Hualapai Dam site on the Colorado River.

The American Public Power Association reaffirms its endorsement of the federal construction of the Hualapai Dam to such height and with such installed capacity as will effect the maximum economic development of the power resource at this site, subject to the preference rights of public agencies under applicable federal statutes. It recommends the immediate investigation of the pumped-storage plan for the Hualapai power plant with a capacity of approximately 5 million kilowatts, proposed by the Los Angeles Department of Water and Power, and, if the City's analysis is confirmed, recommends the adoption of that plan in the federal construction of the Hualapai Dam and power plant.

The Association reaffirms its recommendation that associated water resource studies proposed be conducted, as expeditiously as feasible, under the direction and control of a National Water Commission composed of citizens outside of federal government service, as proposed in Senator Jackson's bill, S. 20, 90th Congress.

Mr. KUCHEL. Mr. President, an article entitled "Dams and Conservation," by Mr. Alex Radin, appeared in the July 1967 issue of Public Power. I ask unanimous consent that Mr. Radin's comments be included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DAMS AND CONSERVATION

The building of hydroelectric power projects has fallen upon hard times, and the word "dam" seemingly has become a dirty word whether it is spelled with three or four letters.

Last month was a particularly tragic one for dam building. First, Secretary of the Interior Stewart L. Udall announced that the Department of the Interior was submitting an adverse report on the Rampart Canyon project in Alaska. Thirteen days later, the Senate Interior Committee reported out a bill authorizing development of the Lower Colorado River, including the Central Arizona Project, but without the Hualapai (formerly Bridge Canyon) Dam.

A significant factor in the rejection of both dams was the opposition of "conservationists." They opposed the Rampart Canyon

project because of alleged damage to wild-life and fisheries interests, and the Department of the Interior's formula for "mitigation" of these resources so inflated the cost of the project that there was an adverse effect on economic feasibility. And although "conservationists" proclaimed through newspaper ads that the Hualapai Dam would "flood" the Grand Canyon (quite an engineering feat, if it were possible), the fact of the matter is that Hualapai Dam, would back water for only 13 miles along the border of the Grand Canyon National Park—and in an area that is not visible from any present public vantage point within the Grand Canyon.

Although dam building sadly seems to have fallen into disfavor in some quarters, I can remember when construction of dams was considered to be a blessing for an area. Growing up on the banks of the Tennessee River before the building of the TVA dams, I recall when the Tennessee River dried to practically a trickle near Chattanooga, while at other times large sections of the city were flooded by the rampaging river.

The building of Chickamauga Dam on the Tennessee River and other dams in the TVA system was regarded as one of the greatest things that had ever happened in the Tennessee Valley. And indeed it was. There was real drama in the damming up and controlling of this river. The lakes that were created by TVA dams made it possible to have water-based recreation on a scale that was never feasible heretofore. Fish thrived in TVA lakes, and boating became a popular sport. TVA dams won prizes for their outstanding architectural characteristics, and they were frequently the subject of magnificent photographs of real artistic merit.

Even today, some of those who oppose Hualapai Dam—and who have seen Glen Canyon Dam on the Colorado River—admit privately that Glen Canyon has actually enhanced the beauty of that stretch of the river.

REACTION IS MISPLACED

It is my belief that the reaction that has set in against dam building in reality is a misplaced reaction against the uglification that has taken place in so many aspects of American life. Many of us are repelled by the manner in which home builders have bulldozed trees and other natural vegetation, and have replaced wooded hills with monotonous lines of "cracker-box" houses. We are disgusted with the manner in which ostentatious hotels have taken over beautiful beaches. We are offended by the noxious fumes that are emitted from automobiles that choke our streets. We are revolted by the pollution of our rivers.

Nature deserves better at the hands of man, and we are frustrated that we are able to accomplish so little in correcting the abuses which violate our sensitivity every day of the year.

But I ask those who regard themselves as conservationists: Are you focusing on the really important issues in opposing dams that are located away from population centers, and that actually enhance the opportunity for mankind to enjoy nature? Wouldn't your efforts be spent to better advantage if you directed your ire at the developers who destroy the trees in areas where people live . . . the auto manufacturers who have done little to curb air pollution . . . the industries that have polluted our rivers . . . and the entrepreneurs who have decimated our beaches? It is these who do violence to the environment where people spend virtually all of their time—an environment that is infinitely more important to far more people than the wilds of Alaska or the treacherous waters of the Colorado River.

Yes, we need to preserve the beauty of nature in remote areas that people must journey to enjoy. But in my opinion the vastly

more important need is to preserve the beauty of nature in the environment where people live and work. People should be able to live in surroundings of natural beauty; they should not have to travel hundreds of miles to enjoy nature.

HYDRO IS RENEWABLE ENERGY SOURCE

Those who are interested in conservation might also take note of the fact that the production of electric power by falling water is our only renewable energy source. The failure to build Hualapai Dam or the Rampart Canyon project does not diminish the need for electric power by one kilowatt-hour; the need will remain, and it will be filled by the burning of coal or uranium—both of which are not renewable energy sources, and both of which, unfortunately, add somewhat, at this time, to environmental pollution problems.

Opponents of dam building have somehow gotten the notion that nuclear power has made hydroelectric power obsolete or old fashioned. It is true, of course, that hydroelectric power does not have the capacity to provide all or even a major portion of our energy requirements. But where hydro power can be developed in a feasible manner, it would seem to me to be contrary to the principle of conservation to burn other fuels as a substitute for our only non-polluting, renewable energy resources.

It should also be kept in mind that hydroelectric power projects also are especially valuable in providing more reliable electric service (as was pointed out by FPC in connection with the Northeast blackout of November, 1965), and they will become increasingly valuable for storage of water—at a time when water supplies are becoming ever more critical.

Hydroelectric dam building is far from being obsolete, and I am confident that in time the present trend will be reversed.

Mr. KUCHEL. Mr. President, the bill, in my opinion, will not become the law of this land. But I pledge myself, as a Senator and as a Californian, to stand ready to assist, as best I can, in accomplishing constructive legislation by which the people of Arizona may have more water brought to them and by which the people of the other basin States also may participate in an augmentation program, rather than in a program of dividing scarcities and shortages.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1004) was passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, the senior Senator from Arizona [Mr. HAYDEN], the patriarch of the Senate, has consistently supported projects that have sought to develop and preserve the Nation's resources. The fact that the project just authorized overwhelmingly by the Senate benefits his own State merely emphasizes his continuing and abiding interest in natural resources.

Over the years, Senator HAYDEN's broad and deep understanding of the Nation's resources problems has benefited the Senate time and time again. Whether it was for the improvement of rivers and harbors, for the establishment

of parks and recreation facilities, for flood control, or, as here, for the development and utilization of a waterway, Senator HAYDEN has always lent his valuable and tireless efforts and energy to the endeavor. He is to be commended today for another outstanding achievement. Without his splendid support, this measure unquestionably would not have received such favorable and decisive Senate approval. We are most grateful.

Of course, the interests of some of the other affected States were ably represented by the distinguished senior Senator from Colorado [Mr. ALLOTT]. He envisioned and advocated a program of much broader scope—a program which the Senate apparently does not favor at the present time. This in no way reflects upon the high caliber of his presentation or even the merits of the program he seeks. Senator ALLOTT, like Senator HAYDEN, is highly informed about matters of this nature and the Senate always welcomes his views. He is to be commended for the clarity of his argument and for the sincerity of his views—urging them strongly but in no way inhibiting the Senate's efficient disposition of the measure.

The distinguished junior Senator from Arizona [Mr. FANNIN] played a vital role in assuring favorable action. He displayed a deep understanding of all of the issues involved and expressed his interest clearly, concisely, and very persuasively. He too is to be commended for representing so well the people of his State.

The senior Senator from California [Mr. KUCHEL] contributed immensely to the discussion. He also urged his own strong and sincere views but in no way inhibited Senate action. As the ranking minority member of the committee, he, as much as any Member of this body, appreciates the importance of this Nation's resources, their preservation and their proper use. The distinguished chairman of the committee, the junior Senator from Washington [Mr. JACKSON] offered his capable and outstanding talents in the consideration of this measure. He likewise is to be commended for his support and splendid advocacy.

Adding their wisdom to the discussion were the junior Senator from Utah [Mr. MOSS], and the senior Senator from New Mexico [Mr. ANDERSON]. They and many others displayed their ingenuity and initiative in the discussion and we are most grateful. The leadership wishes to commend all Senators for joining to assure final action on this measure today so that we may continue on with the legislative program, disposing of as many major items as possible before the Labor Day recess.

WILD AND SCENIC RIVERS ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 476, S. 119. I do this so that the bill will become the pending business.

The PRESIDING OFFICER. The bill will be read by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 119) to reserve certain public

lands for a national wild rivers system, to provide a procedure for adding additional public and other lands to the system, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, to strike out all after the enacting clause and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Wild and Scenic Rivers Act".

STATEMENT OF POLICY

SEC. 2. (a) The Congress finds that some of the free-flowing rivers of the United States and related adjacent land areas possess outstanding scenic, fish, wildlife, and outdoor recreation values of present and potential benefit to the American people. The Congress also finds that our established national policy of dam and other construction at appropriate sections of the rivers of the United States needs to be complemented by a policy that would preserve other selected rivers or sections thereof in their free-flowing condition to protect the water quality of such rivers and to fulfill other vital national conservation purposes. It is the policy of Congress to preserve, develop, reclaim, and make accessible for the benefit of all of the American people, selected parts of the Nation's diminishing resource of free-flowing rivers. For this purpose there is hereby established a National Wild and Scenic Rivers System to be composed of (a) the areas designated by this Act or subsequent Acts as "national wild river areas" and "national scenic river areas," and (b) those State or locally administered wild or scenic river areas designated by the Secretary of Interior as part of the system. Areas designated as national "wild" or "scenic" river areas by subsequent Acts of Congress shall be administered in accordance with the provisions of this Act unless the subsequent Acts provide otherwise.

DEFINITION OF WILD RIVER AREA

(b) A wild river area eligible to be included in the System is a stream or section of a stream, tributary, or river—and the related adjacent lands—located in a sparsely populated, natural, and rugged environment where the river is free flowing and unpolluted, or where the river should be restored to such condition, in order to promote sound water conservation, and promote the public use and enjoyment of the scenic, fish, wildlife, and outdoor recreation values.

DEFINITION OF SCENIC RIVER AREA

(c) A scenic river eligible to be included in the System is a stream or section of a stream, tributary, or river—and the related adjacent lands—that is unpolluted and should be left in its pastoral or scenic attractiveness, or that should be restored to such condition, in order to protect, develop, and make accessible its significant national outdoor recreational resources for public use and enjoyment.

NATIONAL WILD RIVERS

SEC. 3. (a) The following rivers, or segments thereof, and related adjacent lands, are hereby designated as "national wild river areas":

(1) Salmon, Middle Fork, Idaho—from its origin to its confluence with the main Salmon River.

(2) Clearwater, Middle Fork Idaho—the Middle Fork from the town of Kooskia upstream to the town of Lowell; the Lochsa River from its junction with the Selway at Lowell forming the Middle Fork, upstream

to the Powell Ranger Station; and the Selway River from Lowell upstream to its origin.

(3) Rio Grande, New Mexico—the segment extending from the Colorado State line downstream to the State Highway 96 crossing, and the lower four miles of the Red River.

(4) Saint Croix, Minnesota and Wisconsin—the segment between the dam near Taylors Falls, Minnesota, and the dam near Gordon, Wisconsin, and its tributary, the Namekagon, from its confluence upstream with the Saint Croix to the dam near Trego, Wisconsin.

(5) Wolf, Wisconsin—From Langlade-Menominee County Line downstream to Keshena Falls.

(6) Rogue, Oregon—The segment of the river extending from the mouth of Graves Creek downstream to river mile 38, below Flea Creek.

(7) Illinois, Oregon—The segment of the river extending from Briggs Creek downstream to Lawson Creek.

NATIONAL SCENIC RIVERS

(b) The following rivers, or segments thereof, and related, adjacent lands, are hereby designated as "national scenic river areas":

(1) Saint Croix, Wisconsin and Minnesota—downstream from the dam near Taylors Falls, Minnesota, to its confluence with the Mississippi River.

(2) Eleven Point, Missouri—the segment of the river extending downstream from Thomasville to State Highway 142.

(3) Rogue, Oregon—the segment of the river extending from the mouth of the Applegate River, downstream to the mouth of Graves Creek; and that segment of the river extending from river mile 38 below Flea Creek downstream to the Lobster Creek Bridge.

(4) Illinois, Oregon—that segment of the river extending from the mouth of Deer Creek, downstream to Briggs Creek; and that segment of the river extending from Lawson Creek downstream to its confluence with the Rogue.

(5) Namekagon, Wisconsin—that section of the river extending from Lake Namekagon downstream to the dam near Trego, Wisconsin.

FEDERAL-STATE PLANNING FOR ADDITIONS TO SYSTEM

SEC. 4. (a) The Secretary of the Interior, and the Secretary of Agriculture where national forest lands are involved, after consultation with interested Federal agencies, are directed to consult with the Governors and officials of the States in which the rivers listed below are located to ascertain whether a joint Federal-State plan is feasible and desirable in the public interest to conserve segments of these rivers. The appropriate Secretary shall submit to the President within five years from the date of enactment of this Act his recommendations for inclusion of any or all of them in the National Wild and Scenic Rivers System, and the President shall submit to the Congress his recommendations for such legislation as he deems appropriate:

(1) Salmon, Idaho—from the town of North Fork downstream to its confluence with the Snake River.

(2) Buffalo, Tennessee—the entire river from its beginning in Lawrence County to its confluence with the Duck River.

(3) Big Fork, Minnesota—the entire river.

(4) Hudson, New York—the segment of the main stem extending from its origin in the Adirondack Park downstream to the vicinity of the town of Luzerne: Boreas River from its mouth to Durgin Brook; Indian River from its mouth to Abanakee Dam; and Cedar River from its mouth to Cedar River flow.

(5) Missouri, Montana—the segment upstream from Fort Peck Reservoir toward the town of Fort Benton.

(6) Niobrara, Nebraska—the mainstem segment lying between the confluence of Antelope Creek downstream to the headwaters of the proposed Norden Reservoir east of the town of Valentine, and the lower eight miles of its Snake River tributary.

(7) Skagit, Washington—the Skagit from the town of Mount Vernon upstream to Gorge powerhouse near the town of Newhalem; the Cascade River from its mouth to the confluence of the North and South Forks; the Sauk from its mouth to Elliott Creek; and the Suiattle from its mouth to Milk Creek.

(8) Susquehanna, New York and Pennsylvania—the segment of the Susquehanna River from a dam at Cooperstown, New York, downstream to the town of Pittston, Pennsylvania.

(9) Suwannee, Georgia and Florida—entire river from its source in the Okefenokee Swamp in Georgia to the gulf, and the outlying Ichetucknee Springs, Florida.

(10) Youghiogheny, Maryland and Pennsylvania—from Oakland, Maryland, to the Youghiogheny Reservoir, and from the Youghiogheny Dam downstream to the town of Connellsville, Pennsylvania.

(11) Little Miami, Ohio—the segment of the Little Miami River in Clark, Greene, Warren, and Clermont Counties from a point in the vicinity of Clifton, Ohio, downstream to a point in the vicinity of Morrow, Ohio.

(12) Little Beaver, Ohio—the segment of the North and Middle Forks of the Little Beaver River in Columbiana County, from a point in the vicinity of Negly and Elkton, Ohio, downstream to a point in the vicinity of East Liverpool, Ohio.

(13) Maumee, Ohio—from Perrysburg, Ohio, to Fort Wayne, Indiana.

(14) Pine Creek, Pennsylvania—the segment from Ansonia, Pennsylvania, to Waterville, Pennsylvania.

(15) Delaware, Pennsylvania and New York—the segment from Hancock, New York, to Matamoras, Pennsylvania.

(16) Allegheny, Pennsylvania—the segment from the Allegheny Reservoir at Kinzua, Pennsylvania, to Tionesta, Pennsylvania, and then from Franklin, Pennsylvania, to East Brady, Pennsylvania.

(17) Clarion, Pennsylvania—the segment from where it enters the Allegheny River to Ridgway, Pennsylvania.

(18) West Branch Susquehanna, Pennsylvania—the segment of the West Branch Susquehanna from Clearfield, Pennsylvania, to Lock Haven, Pennsylvania.

(19) Chattooga, North Carolina, South Carolina and Georgia—the entire river.

(20) Flathead, Montana—the North Fork from the Canadian border downstream to its confluence with the Middle Fork; the Middle Fork from its headwaters to its confluence with the South Fork; and the South Fork from its origin to Hungry Horse Reservoir.

(21) Gasconade, Missouri—the entire river.

(22) Guadalupe, Texas—the entire river.

(23) Klamath, California—the segment from Scott River downstream to a point two miles upstream from United States 101 crossing.

(24) Penobscot, Maine—its east and west branches.

(25) Pere Marquette, Michigan—the entire river.

(26) Upper Iowa, Iowa—the entire river.

(27) Feather, California—the Middle Fork.

(b) In all planning for the use and development of water and related land resources, consideration shall be given by all Federal agencies involved to potential national wild or scenic river areas, and all river basin and project plan reports submitted to the Congress shall consider and

90TH CONGRESS
1ST SESSION

S. 1004

IN THE HOUSE OF REPRESENTATIVES

AUGUST 8, 1967

Referred to the Committee on Interior and Insular Affairs

AN ACT

To authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. That this Act may be cited as the "Central
4 Arizona Project Act".

5 SEC. 2. (a) For the purposes of furnishing irrigation
6 water and municipal water supplies to the water-deficient
7 areas of Arizona and western New Mexico through direct
8 diversion or exchange of water, generation of electric power
9 and energy, control of floods, conservation and development
10 of fish and wildlife resources, enhancement of recreation

1 opportunities, and for other purposes, the Secretary of the
2 Interior (hereinafter referred to as the "Secretary") shall
3 construct, operate, and maintain the Central Arizona Project,
4 consisting of the following principal works: (1) a system
5 of main conduits and canals, including a main canal and
6 pumping plants (Granite Reef aqueduct and pumping
7 plants), for diverting and carrying water from Lake Havasu
8 to Orme Dam or suitable alternative, which system shall
9 have a capacity of not less than three thousand cubic feet per
10 second; (2) Orme Dam and Reservoir and power-pumping
11 plant or suitable alternative; (3) Buttes Dam and Reservoir,
12 which shall be so operated as to not prejudice the rights of
13 any user in and to the waters of the Gila River as those
14 rights are set forth in the decree entered by the United
15 States District Court for the District of Arizona on June 29,
16 1935, in United States against Gila Valley Irrigation Dis-
17 trict and others (Globe Equity Numbered 59); (4) Hooker
18 Dam and Reservoir, which shall be constructed in such a
19 manner as to give effect to the provisions of subsections (f),
20 (g), and (h) of this section; (5) Charleston Dam and Res-
21 ervoir; (6) Tucson aqueducts and pumping plants; (7) Salt-
22 Gila aqueduct; (8) canals, regulating facilities, hydroelectric
23 powerplants, and electrical transmission facilities; (9) re-
24 lated water distribution and drainage works; and (10) ap-
25 purtenant works: *Provided*, That for a period of 27 years

1 from the effective date of this Act, in any year in which, as
2 determined by the Secretary, there will be insufficient main
3 stream Colorado River water to satisfy the consumptive uses
4 of two million eight hundred thousand, four million four
5 hundred thousand, and three hundred thousand acre-feet in
6 Arizona, California, and Nevada, respectively, diversions
7 for the said purposes of the Central Arizona Project shall be
8 so limited as to assure the availability of water in quantities
9 sufficient to provide for the aggregate annual consumptive
10 use of four million four hundred thousand acre-feet in the
11 State of California. Except as to the terms and provisions
12 of this priority, the rights of Arizona under the decision in
13 Arizona against California (373 U.S. 546) are not affected,
14 abridged, or impaired. The terms "consumptive use" and
15 "main stream" as used in this Act shall have the meanings
16 assigned to those terms in the decree in Arizona against Cali-
17 fornia, dated March 9, 1964 (376 U.S. 340).

18 (b) (1) The Secretary may enter into an agreement
19 with non-Federal interests proposing to construct a thermal
20 generating powerplant whereby the United States shall
21 acquire the right to such portion of the capacity of such
22 plant, including delivery of power and energy over ap-
23 purtenant transmission facilities to mutually agreed upon
24 delivery points, as he determines is required in connection
25 with the Central Arizona Project. Power and energy ac-

1 quired thereunder may be disposed of intermittently by
2 the Secretary when not required in connection with the
3 Central Arizona Project. The agreement shall provide,
4 among other things, that—

5 (i) The United States shall pay not more
6 than that portion of the total construction cost, exclu-
7 sive of interest during construction, of the powerplant,
8 and of any switchyards and transmission facilities serv-
9 ing the United States, as is represented by the ratios
10 of the respective capacities to be provided for the United
11 States therein to the total capacities of such facilities.
12 The Secretary shall make the Federal portion of such
13 costs available to the non-Federal interests during the
14 construction period, including the period of prepara-
15 tion of designs and specifications, in such installments
16 as will facilitate a timely construction schedule, but no
17 funds other than for preconstruction activities shall be
18 made available by the Secretary until he determines
19 that adequate contractual arrangements are in effect
20 covering water and fuel supplies for the thermal generat-
21 ing powerplant;

22 (ii) Annual operation and maintenance costs, in-
23 cluding provisions for depreciation (except as to depre-
24 ciation on the pro rata share of construction cost borne
25 by the United States in accordance with the foregoing

subdivision (i)) shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing subdivision (i) ;

(iii) The United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplant and appurtenances;

(iv) Costs to be borne by the United States under subdivisions (i) and (ii) shall not include (a) interest and interest during construction, (b) financing charges, (c) franchise fees, and (d) such other costs as shall be specified in the agreement.

(2) The thermal generating plant referred to in subparagraph (1) of this subsection shall be located in Arizona, and if it is served by water diverted from the drainage area of the Colorado River system above Lee Ferry, consumptive use of water in connection therewith shall be charged against the apportionment to Arizona made by article III (a) of the Upper Colorado River Basin Compact (63 Stat. 31) and such use shall not increase Arizona's entitlement to consumptive use under said compact.

(c) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not

1 having a recent irrigation history as determined by the Sec-
2 retary, except in the case of Indian lands, national wildlife
3 refuges, and, with the approval of the Secretary, State-
4 administered wildlife management areas.

5 (d) (1) Irrigation and municipal and industrial water
6 supply under the Central Arizona Project within the State of
7 Arizona may, in the event the Secretary determines that it
8 is necessary to effect repayment, be pursuant to master con-
9 tracts with organizations which have power to levy assess-
10 ments against all taxable real property within their bound-
11 aries. The terms and conditions of contracts or other ar-
12 rangements whereby each such organization makes water
13 from the Central Arizona Project available to users within its
14 boundaries shall be subject to the Secretary's approval and
15 the United States shall, if the Secretary determines such
16 action is desirable to facilitate carrying out the provisions of
17 this Act, have the right to require that it be a party to such
18 contracts or that contracts subsidiary to the master contracts
19 be entered into between the United States and any user.
20 The provisions of this subparagraph (1) shall not apply to
21 the supplying of water to an Indian tribe for use within the
22 boundaries of an Indian reservation.

23 (2) Any obligation assumed pursuant to section 9 (d)
24 of the Reclamation Project Act of 1939 (43 U.S.C. 485h
25 (d)) with respect to any project contract unit or irrigation

1 block shall be repaid over a basic period of not more than
2 fifty years; any water service provided pursuant to section
3 9 (e) of the Reclamation Project Act of 1939 (43 U.S.C.
4 485h (e)) may be on the basis of delivery of water for a
5 period of fifty years and for the delivery of such water at an
6 identical price per acre-foot for water of the same class at
7 the several points of delivery from the main canals and
8 conduits and from such other points of delivery as the Secre-
9 tary may designate; and long-term contracts relating to irri-
10 gation water supply shall provide that water made available
11 thereunder may be made available by the Secretary for mu-
12 nicipal or industrial purposes if and to the extent that such
13 water is not required by the contractor for irrigation purposes.

14 (3) Contracts relating to municipal and industrial water
15 supply under the Central Arizona Project may be made with-
16 out regard to the limitations of the last sentence of section
17 9 (c) of the Reclamation Project Act of 1939 (43 U.S.C.
18 485h (c)) ; may provide for the delivery of such water at an
19 identical price per acre-foot for water of the same class at
20 the several points of delivery from the main canals and
21 conduits; and may provide for repayment over a period of
22 fifty years if made pursuant to clause (1) of said section and
23 for the delivery of water over a period of fifty years if made
24 pursuant to clause (2) thereof.

25 (e) Each contract under which water is provided under

1 the Central Arizona Project shall require that (1) there be
2 in effect measures, adequate in the judgment of the Secretary,
3 to control expansion of irrigation from aquifers affected by
4 irrigation in the contract service area; (2) the canals and
5 distribution systems through which water is conveyed after
6 its delivery by the United States to the contractors shall be
7 provided and maintained with linings, adequate in his judg-
8 ment to prevent excessive conveyance losses; and (3)
9 neither the contractor nor the Secretary shall pump or per-
10 mit others to pump ground water from within the exterior
11 boundaries of the service area of a contractor receiving water
12 from the Central Arizona Project for any use outside said
13 contractor's service area unless the Secretary and such con-
14 tractor shall agree, or shall have previously agreed, that a
15 surplus of ground water exists and that drainage is or was re-
16 quired. Such contracts shall be subordinate at all times to the
17 satisfaction of all existing contracts between the Secretary
18 and users in Arizona heretofore made pursuant to the Boulder
19 Canyon Project Act (45 Stat. 1057).

20 (f) The Secretary may require in any contract under
21 which water is provided from the Central Arizona Project that
22 the contractor agree to accept main stream water in exchange
23 for or in replacement of existing supplies from sources other
24 than the main stream. The Secretary shall so require in the
25 case of users in Arizona who also use water from the Gila

1 River system, to the extent necessary to make available to
2 users of water from the Gila River system in New Mexico
3 additional quantities of water as provided in and under the
4 conditions specified in subsection (h) of this section: *Pro-*
5 *vided*, That such exchanges and replacements shall be ac-
6 complished without economic injury or cost to such Arizona
7 contractors.

8 (g) In times of shortage or reduction of main stream
9 Colorado River water for the Central Arizona Project, as
10 determined by the Secretary, users which have yielded water
11 from other sources in exchange for main stream water sup-
12 plied by that project shall have a first priority to receive main
13 stream water, as against other users supplied by that project
14 which have not so yielded water from other sources, but only
15 in quantities adequate to replace the water so yielded.

16 (h) In the operation of the Central Arizona Project,
17 the Secretary shall offer to contract with water users in
18 New Mexico for water from the Gila River, its tributaries
19 and underground water sources, in amounts that will permit
20 consumptive use of water in New Mexico not to exceed an
21 annual average in any period of ten consecutive years of
22 eighteen thousand acre-feet, including reservoir evaporation,
23 over and above the consumptive uses provided for by article
24 IV of the decree of the Supreme Court of the United States

1 in Arizona against California (376 U.S. 340). Such in-
2 creased consumptive uses shall not begin until and shall
3 continue only so long as delivery of Colorado River water
4 to downstream Gila River users in Arizona is being accom-
5 plished in accordance with this Act, in quantities sufficient
6 to replace any diminution of their supply resulting from such
7 diversions from the Gila River, its tributaries and under-
8 ground water sources. In determining the amount required
9 for this purpose full consideration shall be given to any
10 differences in the quality of the waters involved. All addi-
11 tional consumptive uses provided for in this subsection shall
12 be subject to all rights in New Mexico and Arizona as estab-
13 lished by the decree entered by the United States District
14 Court for the District of Arizona on June 29, 1935, in
15 United States against Gila Valley Irrigation District and
16 others (Globe Equity Numbered 59) and to all other rights
17 existing on the effective date of this Act in New Mexico and
18 Arizona to water from the Gila River, its tributaries and
19 underground water sources, and shall be junior thereto and
20 shall be made only to the extent possible without economic
21 injury or cost to the holders of such rights.

22 (i) For a period of ten years from the date of enact-
23 ment of this Act, no water from the projects authorized by
24 this Act shall be delivered to any water user for the pro-
25 duction on newly irrigated lands of any basic agricultural

1 commodity, as defined in the Agricultural Act of 1949,
2 or any amendment thereof, if the total supply of such com-
3 modity for the marketing year in which the bulk of the crop
4 would normally be marketed is in excess of the normal supply
5 as defined in section 301 (b) (10) of the Agricultural Adjust-
6 ment Act of 1938, as amended, unless the Secretary of
7 Agriculture calls for an increase in production of such
8 commodity in the interest of national security.

9 (j) The Secretary shall integrate the Dixie project, here-
10 tofore authorized, into the repayment arrangement and par-
11 ticipation in the Development Fund established by section 5
12 of this Act consistent with the provisions of this Act.

13 SEC. 3. The conservation and development of the fish
14 and wildlife resources and the enhancement of recreation
15 opportunities in connection with the Central Arizona Project
16 works authorized pursuant to this Act shall be in accordance
17 with the provisions of the Federal Water Project Recreation
18 Act (79 Stat. 213).

19 SEC. 4. The Secretary shall determine the repayment
20 capability of Indian lands within, under, or served by the
21 Central Arizona Project. Construction costs allocated to
22 irrigation of Indian lands (including provision of water for
23 incidental domestic and stock water uses) and within the
24 repayment capability of such lands shall be subject to the

1 Act of July 1, 1932 (47 Stat. 464), and such costs as are
2 beyond repayment capability of such lands shall be nonreim-
3 bursable.

4 SEC. 5. (a) There is hereby established a separate fund
5 in the Treasury of the United States, to be known as the
6 Lower Colorado River Basin Development Fund (hereafter
7 called the "Development Fund"), which shall remain avail-
8 able until expended as hereafter provided, for carrying out
9 the provisions of section 2 of this Act, and to be expended
10 or applied in connection with water conservation and de-
11 velopment for the Lower Colorado River Basin as may here-
12 after be prescribed by the Congress.

13 (b) All appropriations made for the purpose of carry-
14 ing out the aforesaid provisions of section 2, and such proj-
15 ects as are hereafter authorized by the Congress for water
16 conservation and development for the Lower Colorado River
17 Basin, shall be credited to the Development Fund as ad-
18 vances from the general fund of the Treasury and shall be
19 available for such purposes.

20 (c) There shall also be credited to the Development
21 Fund—

22 (1) All revenues collected in connection with the
23 operation of the works and facilities authorized pursuant
24 to section 2 and hereafter authorized in furtherance of
25 the purposes of this Act (except entrance, admission,

1 and other recreation fees or charges and proceeds re-
2 ceived from recreation concessionaires) ; and

3 (2) All Federal revenues from the Boulder Canyon
4 and Parker-Davis projects which, after completion of
5 repayment requirements of the said Boulder Canyon
6 and Parker-Davis projects, are surplus, as determined
7 by the Secretary, to the operation, maintenance, and
8 replacement requirements of those projects: *Provided,*
9 *however,* That the Secretary is authorized and directed
10 to continue the in-lieu-of-taxes payments to the States
11 of Arizona and Nevada provided for in section 2 (c)
12 of the Boulder Canyon Project Adjustment Act so long
13 as revenues accrue from the operation of the Boulder
14 Canyon Project.

15 (3) All Federal revenues from the portion of the
16 Pacific Northwest-Pacific Southwest intertie, located in
17 the States of Nevada and Arizona which, after comple-
18 tion of repayment requirements of the said part of the
19 Pacific Northwest-Pacific Southwest intertie located in
20 the States of Nevada and Arizona, are surplus, as
21 determined by the Secretary, to the operation, mainte-
22 nance, and replacement requirements of said portion of
23 the Pacific Northwest-Pacific Southwest intertie and re-
24 lated facilities.

1 (d) All revenues collected and credited to the develop-
2 ment fund pursuant to this Act shall be available, without
3 further appropriation, for—

4 (1) defraying the costs of operation, maintenance,
5 and replacements of, and emergency expenditures for,
6 all facilities of the project within such separate limita-
7 tions as may be included in annual appropriation Acts;

8 (2) payments, if any, as required by section 8 of
9 this Act;

10 (3) payments as required by subsection (f) of this
11 section; and

12 (4) payments to reimburse water users in the State
13 of Arizona for losses sustained as a result of diminution
14 of the production of hydroelectric power at Coolidge
15 Dam, Arizona, resulting from exchanges of water be-
16 tween users in the States of Arizona and New Mexico as
17 set forth in section 2 of this Act.

18 (e) Revenues credited to the Development Fund shall
19 not be available for construction of the works authorized
20 pursuant to section 2 of this Act except on appropriation by
21 the Congress.

22 (f) Revenues in the Development Fund in excess of the
23 amount necessary to meet the requirements of clauses (1),
24 (2), and (4) of section (d) of this section shall be paid
25 annually to the general fund of the Treasury to return—

(1) the costs of the project or separable feature thereof, authorized pursuant to section 2 of this Act which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act, within a period not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law; and

(2) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance with the provisions of subsection (g) of this section, and interest due shall be a first charge.

(g) The interest rate applicable to those portions of the reimbursable costs of the Central Arizona Project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such project, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither

1 due nor callable for redemption for fifteen years from the
2 date of issue.

3 (h) Business-type budgets shall be submitted to the
4 Congress annually for all operations financed by the develop-
5 ment fund.

6 SEC. 6. The Secretary may undertake programs for
7 water salvage along and adjacent to the main stream of the
8 Colorado River and for ground water recovery. Such pro-
9 grams shall be consistent with maintenance of a reasonable
10 degree of undisturbed habitat for fish and wildlife in the
11 area, as determined by the Secretary.

12 SEC. 7. (a) In order to provide for the construction,
13 operation, and maintenance of the Animas-La Plata Federal
14 reclamation project, Colorado-New Mexico; the Dolores,
15 Dallas Creek, West Divide, and San Miguel Federal recla-
16 mation projects, Colorado, as participating projects under the
17 Colorado River Storage Project Act (70 Stat. 105; 43
18 U.S.C. 620), and to provide for the completion of planning
19 reports on other participating projects, subsection (2) of sec-
20 tion 1 of said Act is hereby further amended by deleting the
21 words "Pine River extension", and inserting in lieu thereof
22 the words "Animas-La Plata, Dolores, Dallas Creek, West
23 Divide, San Miguel". Section 2 of said Act is hereby fur-
24 ther amended by deleting the words "Parshall, Troublesome,
25 Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East

1 River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers ex-
2 tension, Animas-La Plata", and inserting after the words
3 "Yellow Jacket" the words "Basalt, Middle Park (includ-
4 ing the Troublesome, Rabbit Ear, and Azure units), Upper
5 Gunnison (including the East River, Ohio Creek, and Tomi-
6 chi Creek units), Lower Yampa (including the Juniper and
7 Great Northern units), Upper Yampa (including the Hay-
8 den Mesa, Wessels, and Toponas units)", and by inserting
9 after the word "Sublette" the words " (including the Kendall
10 Reservoir on Green River and a diversion of water from the
11 Green River to the North Platte River Basin in Wyoming),
12 Uintah unit and Ute Indian unit of the central Utah, San
13 Juan County (Utah), Price River, Grand County (Utah),
14 Ute Indian unit extension of the central Utah, Gray Canyon,
15 and Juniper (Utah)". The amount which section 12 of said
16 Act authorizes to be appropriated is hereby further increased
17 by the sum of \$360,000,000 plus or minus such amounts, if
18 any, as may be required, by reason of changes in construc-
19 tion costs as indicated by engineering cost indexes applicable
20 to the type of construction involved. This additional sum shall
21 be available solely for the construction of the projects herein
22 authorized.

23 (b) The Animas-La Plata Federal reclamation project
24 shall be constructed and operated in substantial accordance
25 with the engineering plans set out in the report of the Secre-

1 tary transmitted to the Congress on May 4, 1966, and
2 printed as House Document 436, Eighty-ninth Congress:
3 *Provided*, That the project construction of the Animas-La
4 Plata Federal reclamation project shall not be undertaken
5 until and unless the States of Colorado and New Mexico
6 shall have ratified the following compact to which the consent
7 of Congress is hereby given:

8 "ANIMAS-LA PLATA PROJECT COMPACT

9 "The State of Colorado and the State of New Mexico,
10 in order to implement the operation of the Animas-La Plata
11 Federal Reclamation Project, Colorado-New Mexico, a pro-
12 posed participating project under the Colorado River Stor-
13 age Project Act (70 Stat. 105), and being moved by consid-
14 erations of interstate comity, have resolved to conclude a
15 compact for these purposes and have agreed upon the follow-
16 ing articles:

17 "ARTICLE I

18 "A. The right to store and divert water in Colorado and
19 New Mexico from the La Plata and Animas River systems,
20 including return flow to the La Plata River from Animas
21 River diversions, for uses in New Mexico under the Animas-
22 La Plata Federal Reclamation Project shall be valid and of
23 equal priority with those rights granted by decree of the
24 Colorado state courts for the uses of water in Colorado for
25 that project, providing such uses in New Mexico are within

1 the allocation of water made to that state by articles III and
2 XIV of the Upper Colorado River Basin Compact (63
3 Stat. 31).

4 “B. The restrictions of the last sentence of Section (a)
5 of Article IX of the Upper Colorado River Basin Compact
6 shall not be construed to vitiate paragraph A of this article.

7 “ARTICLE II

8 “This Compact shall become binding and obligatory
9 when it shall have been ratified by the legislatures of each of
10 the signatory States.”

11 (c) The Secretary shall, for the Animas-La Plata,
12 Dolores, Dallas Creek, San Miguel, West Divide, and
13 Seedskadee participating projects of the Colorado River stor-
14 age project, establish the nonexcess irrigable acreage for
15 which any single ownership may receive project water at one
16 hundred and sixty acres of class 1 land or the equivalent
17 thereof, as determined by the Secretary, in other land classes.

18 (d) The words “any western slope appropriations” con-
19 tained in paragraph (i) of that section of Senate Docu-
20 ment Numbered 80, Seventy-fifth Congress, first session,
21 entitled “Manner of Operation of Project Facilities and
22 Auxiliary Features,” shall mean and refer to the appropria-
23 tion heretofore made for the storage of water in Green Moun-
24 tain Reservoir, a unit of the Colorado-Big Thompson Fed-
25 eral reclamation project, Colorado; and the Secretary is

1 directed to act in accordance with such meaning and refer-
2 ence. It is the sense of Congress that this directive defines and
3 observes the purpose of said paragraph (i), and does not
4 in any way affect or alter any rights or obligations arising
5 under said Senate Document Numbered 80 or under the
6 laws of the State of Colorado.

7 SEC. 8. The Upper Colorado River Basin fund estab-
8 lished under section 5 of the Act of April 11, 1956 (70 Stat.
9 107), shall be reimbursed from the Colorado River develop-
10 ment fund established by section 2 of the Boulder Canyon
11 Project Adjustment Act (54 Stat. 774), for all expenditures
12 heretofore or hereafter made from the Upper Colorado River
13 Basin fund to meet deficiencies in generation at Hoover Dam
14 during the filling period of reservoirs of storage units of the
15 Colorado River storage project pursuant to the criteria for
16 the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851,
17 July 19, 1962). For this purpose \$500,000 for each year
18 of operation of Hoover Dam and powerplant, commencing
19 with the enactment of this Act, shall be transferred from
20 the Colorado River development fund to the Upper Colorado
21 River Basin fund, in lieu of application of said amounts to
22 the purposes stated in section 2 (d) of the Boulder Canyon
23 Project Adjustment Act, until such reimbursement is accom-
24 plished. To the extent that any deficiency in such reim-
25 bursement remains as of June 1, 1987, the amount of

1 the remaining deficiency shall then be transferred to
2 the Upper Colorado River Basin fund from net revenues
3 derived from the sale of electric energy generated at Hoover
4 Dam.

5 SEC. 9. Nothing in this Act shall be construed to alter,
6 amend, repeal, modify, or be in conflict with the provisions of
7 the Colorado River compact (45 Stat. 1057), the Upper
8 Colorado River Basin compact (63 Stat. 31), the water
9 treaty of 1944 with the United Mexican States (Treaty
10 Series 994), the decree entered by the Supreme Court of the
11 United States in Arizona against California and others (376
12 U.S. 340), or, except as otherwise provided herein, the
13 Boulder Canyon Project Act (45 Stat. 1057), the Boulder
14 Canyon Project Adjustment Act (54 Stat. 774), or the Colo-
15 rado River Storage Project Act (70 Stat. 105).

16 SEC. 10. The Secretary is directed to—

17 (a) make reports as to the annual consumptive
18 uses and losses of water from the Colorado River system
19 after each successive five-year period, beginning with
20 the five-year period starting on October 1, 1965. Such
21 reports shall include a detailed breakdown of the bene-
22 ficial consumptive use of water on a State-by-State basis.
23 Specific figures on quantities consumptively used from
24 the major tributary streams flowing into the Colorado
25 River shall also be included on a State-by-State basis.

1 Such reports shall be prepared in consultation with the
2 States of the lower basin individually and with the Upper
3 Colorado River Commission, and shall be transmitted to
4 the President, the Congress, and to the Governors of each
5 State signatory to the Colorado River compact;

6 (b) condition all contracts for the delivery of water
7 originating in the drainage basin of the Colorado River
8 system upon the availability of water under the Colorado
9 River compact.

10 SEC. 11. (a) The Secretary shall propose criteria for
11 the coordinated long-range operation of the reservoirs con-
12 structed and operated under the authority of the Colorado
13 River Storage Project Act and the Boulder Canyon Project
14 Act, consistent with the provisions of those statutes, the
15 Boulder Canyon Project Adjustment Act, the Colorado River
16 compact, the Upper Colorado River compact and the Mex-
17 ican Water Treaty. To effect in part the purposes expressed
18 in this paragraph, the criteria shall make provision for the
19 storage of water in storage units of the Colorado River stor-
20 age project and releases of water from Lake Powell in the
21 following listed order of priority:

22 (1) Releases to supply one-half the deficiency described
23 in article III (c) of the Colorado River compact, if any such
24 deficiency exists and is chargeable to the States of the upper
25 division.

1 (2) Releases to comply with article III (d) of the Colo-
2 rado River compact.

3 (3) Storage of water not required for the releases speci-
4 fied in clauses (1) and (2) of this subsection to the extent
5 that the Secretary, after consultation with the Upper Colo-
6 rado River Commission and representatives of the three low-
7 er division States and taking into consideration all relevant
8 factors (including, but not limited to, historic streamflows,
9 the most critical period of record, and probabilities of water
10 supply), shall find to be reasonably necessary to assure de-
11 liveries under clauses (1) and (2) without impairment of
12 annual consumptive uses in the upper basin pursuant to the
13 Colorado River compact: *Provided*, That water not so re-
14 quired to be stored shall be released from Lake Powell: (i)
15 to the extent it can be reasonably applied in the States of the
16 lower division to the uses specified in article III (e) of the
17 Colorado River compact, but no such releases shall be made
18 when the active storage in Lake Powell is less than the
19 active storage in Lake Mead, (ii) to maintain, as nearly as
20 practicable, active storage in Lake Mead equal to the active
21 storage in Lake Powell, and (iii) to avoid anticipated spills
22 from Lake Powell.

23 (b) Not later than July 1, 1968, the criteria proposed
24 in accordance with the foregoing subsection (a) of this
25 section shall be submitted to the Governors of the seven

1 Colorado River Basin States and to such other parties and
2 agencies as the Secretary may deem appropriate for their
3 review and comment. After receipt of comments on the
4 proposed criteria, but not later than January 1, 1969, the
5 Secretary shall adopt appropriate criteria in accordance
6 with this section and publish the same in the Federal Regis-
7 ter. Beginning January 1, 1970, and yearly thereafter,
8 the Secretary shall transmit to the Congress and to the
9 Governors of the Colorado River Basin States a report de-
10 scribing the actual operation under the adopted criteria
11 for the preceding compact water year and the projected
12 operation for the current year. As a result of actual oper-
13 ating experience or unforeseen circumstances, the Secretary
14 may thereafter modify the criteria to better achieve the pur-
15 poses specified in subsection (a) of this section, but only
16 after correspondence with the Governors of the seven Colo-
17 rado River Basin States and appropriate consultation with
18 such State representatives as each Governor may designate.

19 (c) Section 7 of the Colorado River Storage Project
20 Act shall be administered in accordance with the foregoing
21 criteria.

22 SEC. 12. (a) Rights of the upper basin to the con-
23 sumptive use of water apportioned to that basin from the
24 Colorado River system by the Colorado River compact shall

1 not be reduced or prejudiced by any use of such water in
2 the lower basin.

3 (b) Nothing in this Act shall be construed so as to
4 impair, conflict with, or otherwise change the duties and
5 powers of the Upper Colorado River Commission.

6 SEC. 13. Part I of the Federal Power Act (41 Stat.
7 1063; 16 U.S.C. 791a-823) shall not be applicable to the
8 reach of the Colorado River between Lake Mead and the
9 present western boundary of the Grand Canyon National
10 Park until and unless otherwise provided by Congress.

11 SEC. 14. Except as otherwise provided in this Act in
12 constructing, operating, and maintaining the Central Ari-
13 zona Project, the Secretary shall be governed by the Federal
14 reclamation laws (Act of June 17, 1902; 32 Stat. 388 and
15 Acts amendatory thereof or supplementary thereto) to which
16 laws this Act shall be deemed a supplement: *Provided*, That
17 the sale or disposition of power or energy acquired pursuant
18 to section 2 of this Act and surplus to the requirements of
19 the Central Arizona Project shall be in accordance with the
20 provisions of section 9 of the Act of August 4, 1939 (53
21 Stat. 1193), as amended.

22 SEC. 15. (a) All terms used in this Act which are de-
23 fined in the Colorado River compact shall have the meanings
24 there defined.

1 (b) "Main stream" means the main stream of the Colo-
2 rado River downstream from Lee Ferry within the United
3 States, including the reservoirs thereon.

4 (c) "User" or "water user" in relation to main stream
5 water in the lower basin means the United States, or any
6 person or legal entity, entitled under the decree of the Su-
7 preme Court of the United States in Arizona against Cali-
8 fornia, and others (376 U.S. 340), to use main stream
9 water when available thereunder.

10 (d) "Active storage" means that amount of water in
11 reservoir storage, exclusive of bank storage, which can be
12 released through the existing reservoir outlet works.

13 (e) "Colorado River Basin States" means the States of
14 Arizona, California, Colorado, Nevada, New Mexico, Utah,
15 and Wyoming.

16 SEC. 16. There is hereby authorized to be appropriated
17 for construction of the Central Arizona Project, including
18 prepayment for power generation and transmission facilities,
19 but exclusive of distribution and drainage facilities for non-
20 Indian lands, \$768,000,000 (October 1963 prices) plus
21 or minus such amounts, if any, as may be justified by
22 reason of ordinary fluctuations in construction costs as indi-
23 cated by engineering cost indexes applicable to the types of
24 construction involved herein, and not to exceed \$100,000,000

- 1 for construction of distribution and drainage facilities for
- 2 non-Indian lands and, in addition thereto, such sums as may
- 3 be required for operation and maintenance of the project.

Passed the Senate August 7, 1967.

Attest:

FRANCIS R. VALEO,

Secretary.

AN ACT

To authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes.

AUGUST 8, 1967

Referred to the Committee on Interior and Insular
Affairs

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
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(FOR INFORMATION ONLY;
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Issued March 4, 1968
For actions of March 1 & 2, 1968
90th-2nd; Nos. 32 & 33

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SENATE - March 1

1. NOMINATION. Confirmed the nomination of C. R. Smith to be Secretary of Commerce. p. S2006
2. COSPONSORS. Sen. Allott was added as a cosponsor of S. 2862, proposed Potato Research and Promotion Act. p. S1975
3. TRUTH IN LENDING. Sen. Proxmire inserted two editorials supporting "the wage garnishment provisions of the truth-in-lending bill." pp. S1986, S1987
4. DAIRY. Sen. Nelson urged "renewed attention to the opportunities to use dairy products to a greater extent in the food-for-peace program." p. S1987

5. FUTURE FARMERS. Sen. Burdick commended the Future Farmers of America organization as having "an outstanding role in assuring the future progress and prosperity of our State." p. S1988
6. PEACE CORPS. Received the President's message reporting on activities of the Peace Corps. p. S1999

SENATE - March 2

7. RESEARCH. Received from Interior a report regarding the progress and results obtained by the U. S. from participation in the desalting and electrical power generation project. p. S2007
8. ELECTRIFICATION. Sen. Aiken inserted the speech of FPC Commissioner Ross, to the National Rural Electric Cooperative Association; favoring the Aiken-Kennedy bill to facilitate use of nuclear power by small electric systems. pp. S2010-12
9. ADJOURNED until Mon., Mar. 4. p. S2027

HOUSE - March 1

10. RECLAMATION. The Interior and Insular Affairs Subcommittee on Irrigation and Reclamation approved for full committee action H. R. 3300, amended, Colorado River Basin project. p. D144

EXTENSION OF REMARKS

11. PEACE CORPS. Rep. Ottinger praised the Peace Corps on its seventh anniversary and inserted an address by Peace Corps Director Vaughn. pp. E1402-6

BILLS INTRODUCED

12. LOANS. S. 3067 by Sen. Ellender, to amend the Consolidated Farmers Home Administration Act of 1961, as amended, to finance the establishment of grazing associations without a shift in land use, to provide a supplemental source of credit to cooperatives serving rural people, to authorize insured operating loans to low-income small farmers, to extend the cut-off date for completion of comprehensive water and sewer plans; to Agriculture and Forestry Committee.
13. FOOD STAMP. S. 3068 by Sen. Ellender, to amend the Food Stamp Act of 1964, as amended; to Agriculture and Forestry Committee.
14. PUBLIC LAW 480. S. 3069 by Sen. Ellender, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended; to Agriculture and Forestry Committee.

0

COMMITTEE HEARINGS:

MAR. 4: Agricultural appropriations, H. Appropriations (exec); Poultry inspection, H. Agriculture (exec); Foreign aid authorization, H. Foreign Affairs; Set aside certain funds for recreation areas, H. Interior; MAR. 8: Public Law 480, H. Agriculture (Secretary Freeman to testify).

oOo

House March 26, 1968
- 3 -

10. PUBLIC LANDS. Received a Colo. Legislature resolution urging the Congress and the President "to take action necessary to transfer ownership and administration of vacant and unreserved public domain lands to the various States." p. S3299
11. TRAVEL. Sen. Hayden inserted the reports of various committees in connection with expenditure of foreign currencies and appropriated funds for foreign travel. pp. S3304-14

HOUSE

12. PUBLIC LAW 480. The Agriculture Committee voted to report (but did not actually report) H. R. 16165, to extend the food-for-peace program. p. D249
13. TRAVEL. The Rules Committee reported a resolution for the consideration of H. R. 13738, to increase the maximum rate of per diem allowance for Government employees traveling on official business. p. H2260
14. RESEARCH. The Rules Committee reported a resolution for the consideration of H. R. 15856, the NASA authorization bill, to authorize appropriations to the National Aeronautics and Space Administration for the fiscal year 1969 for research and development, construction of facilities, and administrative operations (p. H2260). The bill contains items for research, including that conducted in cooperation with this Department on earth resources satellites providing information on agriculture and forestry through remote sensing devices, including identification and analysis of crop species, soil types, crop conditions, environmental conditions, tree identification, forest density, forest conditions, etc.
15. FORESTS. The Agriculture Committee voted to report (but did not actually report) H. R. 15822, to provide for the establishment of the Robert S. Kerr Memorial Arboretum and Nature Center in the Ouachita National Forest, Okla. p. D249
16. FARM LABOR. The Education and Labor Committee voted to report (but did not actually report) H. R. 16014, to include certain agricultural workers under the National Labor Relations Act. p. D249
17. RECLAMATION. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 3300, to authorize the construction, operation, and maintenance of the Colorado River Basin project. p. D249
18. HOLIDAYS. The Judiciary Committee voted to report (but did not actually report) H. R. 15951, to provide for uniform annual observances of certain legal public holidays on Mondays. p. D250
19. MARINE RESOURCES. A subcommittee of the Merchant Marine and Fisheries Committee approved for full committee action H. R. 13781, to amend the Marine Resources and Engineering Development Act to continue the sea-grant college program. p. D250
20. DEMONSTRATION. Rep. Poage expressed concern because a "minority" of the crowd gathered to hear Secretary Freeman speak at the University of Wisconsin prevented him from completing his address and commended those who apologized and the Secretary for "ably handling" the situation. p. H2215

21. POVERTY. Rep. Ryan urged support of his bill to provide a supplemental appropriation for OEO, increasing the 1968 fiscal year appropriation by \$207 million. p. H2249
22. TRUST TERRITORY. Rep. Mink urged passage of H. R. 16183, to provide for a government for the Trust Territory of the Pacific Islands. pp. H2250-2
23. EXPENDITURES. Rep. Bolton inserted an editorial favoring the model cities and poverty programs in preference to the supersonic-plane and space programs. pp. H2248-9
24. TAXATION. Rep. Reuss inserted tables to support his request for tax reform. pp. H2257-8

EXTENSION OF REMARKS

25. EMPLOYMENT. Rep. Curtis urged analysis of the consequences of minimum wage increases and inserted a Yale economics professor's speech on the subject. pp. E2247-51
26. FAMILY FARMS. Sen. Metcalf commended and inserted a speech by Sen. McGovern "Hidden Enemies of the Family Farm," dealing with corporate and tax aspects of farm problems. pp. E2251-2
27. INDIAN AFFAIRS. Sen. Moss inserted excerpts from a speech by the cochairman of the Four Corners Commission which commends the President's recent message on Indian affairs and lists means by which an approach to solving the Indian problems can be made. pp. E2262-3
28. RURAL DEVELOPMENT. Sen. Pearson inserted an address by the National Rural Electric Cooperative Association general manager discussing REA co-ops' role in economic development of rural America. pp. E2265-7
Rep. Zwach urged action on passage of his proposed bill to create a Country-side Development Commission. pp. E2282-3
29. INFLATION. Rep. Curtis expressed the opinion that inflation is the farmer's greatest problem and commended and inserted an article on this subject. pp. E2263
30. SPENDING. Rep. Fannin inserted an article, "Economy: Great Society Style", and stated that many instances "point up the doubts that many of us in this body have about the sincerity of the present administration's promises to cut spending." pp. E2267-8
31. RURAL LOANS. Rep. Hamilton inserted an article, "Hamilton Joins Protest: Loans to Rural Areas for Water, Sewers End", critical of a recent Treasury Dept. action which "brings to a halt a Federal loan program to assist rural communities to finance water and sewer systems." p. E2279
32. POVERTY. Rep. Ryan urged passage of H. R. 16180, to authorize OEO appropriation and inserted the text of an advertisement which "describes the catastrophic effect of the cutback on Mississippi Headstart children." pp. E2285-6
33. PESTICIDES. Rep. Podell called for the appointment of a Presidential Commission "with full power and authority to study and report upon research plans and

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Issued April 25, 1968
For actions of April 24, 1968
90th-2nd; No. 68

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HIGHLIGHTS: Sen. Williams, N. J., introduced and discussed wilderness bill. Rep.
ts introduced and discussed bill to establish personnel GAO complaint desk.

SENATE

TRANSPORTATION. The Commerce Committee reported with amendments, S. 913, to amend part III of the Interstate Commerce Act to provide for the recording of trust agreements and other evidences of equipment indebtedness of water carriers (S. Rept. 1094). p. S4449

CONSERVATION. Continued debate on S. 1401, to amend title I of the Land and Water Conservation Fund Act of 1965 (see Digest 66). pp. S4466-78

HUNGER. Sen. McGovern inserted Secretary Freeman's response to and an editorial on the "Hunger, U.S.A." report which he stated "indicate...an ill-advised attack...on agricultural agencies and programs." pp. S4456-7

4. OCEANOGRAPHY. Sen. Pell commended a television network program on "Man and the Sea." p. S4460
5. APPOINTMENT. Sen. Proxmire inserted a White House press release announcing the appointment of Dr. Willard F. Mueller, of Wisc., to be Executive Director for the Cabinet Committee on Price Stability. p. S4464

HOUSE

6. CONSERVATION. The Interior and Insular Affairs Committee reported with amendment H. R. 8578, to amend the Land and Water Conservation Fund Act of 1965 so as to overcome increasing cost of recreation lands (H. Rept. 1313). p. H2996
7. RIVER BASINS. The Interior and Insular Affairs Committee reported with amendment H. R. 3300, to authorize the construction, operation, and maintenance of the Colorado River Basin project (H. Rept. 1312). p. H2996
8. EMPLOYMENT. The Armed Services Committee reported with amendment H. R. 1093, to amend and clarify the reemployment provisions of the Universal Military Training and Service Act (H. Rept. 1303). p. H2996
Agreed to without amendment H. Con. Res. 705, to assist veterans who have served in Vietnam or elsewhere in obtaining suitable employment. pp. H2939-40, H2954-57
9. REORGANIZATION; MILITARY CONSTRUCTION. The Rules Committee reported resolutions for the consideration of H. R. 15688, to extend for an additional four years the President's authority to submit reorganization plans; and H. R. 16703, the military construction authorization bill. p. H2996
10. EDUCATION. The Education and Labor Committee was granted until midnight Fri., Apr. 26, to file a report on H. R. 16729, the higher education amendments dealing with student assistance loans. pp. H2953-4
11. FINANCIAL CRISIS. Rep. Holifield presented facts to "refute the dangerous allegations of the Chairman of the Federal Reserve Board that 'We are in the midst of the worst financial crisis since 1931.'" Rep. Holifield stated he did not believe that we face an "uncontrollable inflation" or "uncontrollable recession." pp. H2962-66
12. WILDERNESS. Rep. Saylor paid tribute to the late Harvey Broome, president of the Wilderness Society, and inserted an article detailing Mr. Broome's work. pp. H2973-4
13. OPINION POLL. Rep. Broyhill, N.C., inserted the results of a questionnaire including items of interest to this Dept. pp. H2975-6
14. WATER POLLUTION. Rep. Cleveland inserted testimony by Gov. Nelson Rockefeller on the proposed Water Quality Improvement Act of 1968. pp. H2976-8
Rep. Harrison criticized Secretary Udall's "additions" to the Water Quality Act of 1965 to "require that the States incorporate into their water quality standards applicable to interstate waters either an effluent standard...or its

COLORADO RIVER BASIN PROJECT

APRIL 24, 1968.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. JOHNSON of California, from the Committee on Interior and Insular Affairs, submitted the following

R E P O R T

together with

SEPARATE AND DISSENTING VIEWS

[To accompany H.R. 3300]

The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 3300) to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert the following language:

TITLE I—COLORADO RIVER BASIN PROJECT: OBJECTIVES

SEC. 101. That this Act may be cited as the "Colorado River Basin Project Act".

SEC. 102. (a) It is the object of this Act to provide a program for the further comprehensive development of the water resources of the Colorado River Basin and for the provision of additional and adequate water supplies for use in the Upper as well as in the Lower Colorado River Basin. This program is declared to be for the purposes, among others, of regulating the flow of the Colorado River; controlling floods; improving navigation; providing for the storage and delivery of the waters of the Colorado River for reclamation of lands, including supplemental water supplies, and for municipal, industrial, and other beneficial purposes; improving water quality; providing for basic public outdoor recreation facilities; improving conditions for fish and wildlife, and the generation and sale of electrical power as an incident of the foregoing purposes.

(b) It is the policy of the Congress that the Secretary of the Interior (hereinafter referred to as the "Secretary") shall continue to develop,

after consultation with affected States and appropriate Federal agencies, a regional water plan, consistent with the provisions of this Act and with future authorizations, to serve as the framework under which projects in the Colorado River Basin may be coordinated and constructed with proper timing to the end that an adequate supply of water may be made available for such projects, whether heretofore, herein, or hereafter authorized.

TITLE II—INVESTIGATIONS AND PLANNING

SEC. 201. (a) *The Water Resources Council, acting in accordance with the procedure prescribed in section 103 of the Water Resources Planning Act (79 Stat. 244), shall within one year following the effective date of this Act establish principles, standards, and procedures for the program of investigations and submittal of plans and reports authorized by this title. The Secretary, in conformity with the principles, standards, and procedures so established, is authorized and directed to—*

(1) *prepare estimates of the long-range water supply available for consumptive use in the Colorado River Basin, of current water requirements therein, and of the rate of growth of water requirements therein to at least the year 2030;*

(2) *investigate and recommend sources and means of supplying water to meet the current and anticipated water requirements of the Colorado River Basin, either directly or by exchange, including reductions in losses, importations from sources outside the natural drainage basin of the Colorado River system, desalination, weather modification, and other means: Provided, That the Secretary shall not, under the authority of this clause or anything in this Act contained, make any recommendation for importing water into the Colorado River system from other river basins without the approval of those States which will be affected by such exportation, said approval to be obtained in a manner consistent with the procedure and criteria established by section 1 of the Flood Control Act of 1944 (58 Stat. 887);*

(3) *undertake investigations, in cooperation with other concerned agencies, of means for maintaining an adequate water quality throughout the Colorado River Basin;*

(4) *investigate means of providing for prudent water conservation practices to permit maximum beneficial utilization of available water supplies in the Colorado River Basin;*

(5) *investigate and prepare estimates of the long-range water supply in States and areas from which water could be imported into the Colorado River system, together with estimates and plans to satisfy the probable ultimate requirements for water within such States and areas of origin for all purposes, including but not limited to consumptive use, navigation, river regulation, power, enhancement of fishery resources, pollution control, and disposal of wastes to the ocean, and estimates of the quantities of water, if any, that will be available in excess of such requirements.*

(b) *The Secretary is authorized and directed to prepare reconnaissance reports covering the matters set out in subsection (a) of this section, and such reports shall be submitted to the President and to the Congress not later than June 30, 1973, and, as revised and updated, every five years thereafter. For the purpose of providing for the repayment of the reimbursable costs of any projects covered by such reports, the Secretary shall*

take into account such assistance as may be available to the States of the Upper Division from the Upper Colorado River Basin Fund (70 Stat. 107), and to the States of the Lower Division from the development fund established by section 403 of this Act.

(c) On the basis of the investigations and studies performed pursuant to this section, and subject to the provisions of subsection (a)(2) and section 203 hereof, the Secretary shall prepare a feasibility report on a plan which shows the most economical means of augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet annually. The recommended plan may include the construction of works and facilities by such successive stages as are estimated to be necessary to alleviate critical water shortages as they occur. The report prepared pursuant to this subsection, along with comments of the affected States and appropriate Federal agencies thereon, shall be submitted to the Congress on or before January 1, 1975.

SEC. 202. The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of this Act and authorized by the Congress. Accordingly, the States of the Upper Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which may have been imposed upon them by article III(c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican Water Treaty together with any losses of water associated with the performance of that treaty.

SEC. 203. (a) In the event that the Secretary shall, pursuant to section 201(a)(2) and 201(c), plan works to import water into the Colorado River system from sources outside the natural drainage areas of the system, he shall make provisions for adequate and equitable protection of the interests of the States and areas of origin, including assistance from funds specified in section 201(b) of this Act, to the end that water supplies may be available for use in such States and areas of origin adequate to satisfy their ultimate requirements at prices to users not adversely affected by the exportation of water to the Colorado River system.

(b) All requirements, present or future, for water within any State lying wholly or in part within the drainage area of any river basin from which water is exported by works planned pursuant to this Act shall have a priority of right in perpetuity to the use of the waters of that river basin, for all purposes, as against the uses of the water delivered by means of such exportation works, unless otherwise provided by interstate agreement.

SEC. 204. The Secretary shall submit annually to the President and the Congress reports covering progress on the investigations and reports authorized by this title.

SEC. 205. There are hereby authorized to be appropriated such sums as are required to carry out the purposes of this title.

TITLE III—AUTHORIZED UNITS: PROTECTION OF EXISTING USES

SEC. 301. (a) For the purposes of furnishing irrigation water and municipal water supplies to the water-deficient areas of Arizona and

western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary shall construct, operate, and maintain the Central Arizona Project, consisting of the following principal works: (1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system shall have a capacity of not to exceed two thousand five hundred cubic feet per second; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so operated as not to prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in *United States against Gila Valley Irrigation District and others* (Globe Equity Numbered 59); (4) Hooker Dam and Reservoir or suitable alternative, which shall be constructed in such a manner as to give effect to the provisions of subsection (f) of section 304; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt Gila aqueduct; (8) related canals, regulating facilities, hydroelectric power-plants, and electrical transmission facilities required for the operation of said principal works; (9) related water distribution and drainage works; and (10) appurtenant works.

(b) Article II(B)(3) of the decree of the Supreme Court of the United States in *Arizona against California* (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient main stream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversions from the main stream for the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use by holders of present perfected rights, by other users in the State of California served under existing contracts with the United States by diversion works heretofore constructed, and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of mainstream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater than would have been imposed in the absence of this subsection 301(b). This subsection shall not affect the relative priorities, among themselves, of water users in Arizona, Nevada, and California which are senior to diversions for the Central Arizona Project, or amend any provisions of said decree.

(c) The limitation stated in subsection (b) of this section shall not apply so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada.

SEC. 302. (a) The Secretary shall designate the lands of the Salt River Pima-Maricopa Indian Community, Arizona, and the Fort McDowell-Apache Indian Community, Arizona, or interests therein, and any allotted lands or interests therein within said communities which he determines are necessary for use and occupancy by the United States

for the construction, operation, and maintenance of Orme Dam and Reservoir, or alternative. The Secretary shall offer to pay the fair market value of the lands and interests designated, inclusive of improvements. In addition, the Secretary shall offer to pay toward the cost of relocating or replacing such improvements not to exceed \$500,000 in the aggregate, and the amount offered for the actual relocation or replacement of a residence shall not exceed the difference between the fair market value of the residence and \$8,000. Each community and each affected allottee shall have six months in which to accept or reject the Secretary's offer. If the Secretary's offer is rejected, the United States may proceed to acquire the property interests involved through eminent domain proceedings in the United States District Court for the District of Arizona under 40 U.S.C., sections 257 and 258a. Upon acceptance in writing of the Secretary's offer, or upon the filing of a declaration of taking in eminent domain proceedings, title to the lands or interests involved, and the right to possession thereof, shall vest in the United States. Upon a determination by the Secretary that all or any part of such lands or interests are no longer necessary for the purpose for which acquired, title to such lands or interests shall be restored to the appropriate community.

(b) Title to any land or easement acquired pursuant to this section shall be subject to the right of the former owner to use or lease the land for purposes not inconsistent with the construction, operation, and maintenance of the project, as determined by, and under terms and conditions prescribed by, the Secretary. Such right shall include the right to extract and dispose of minerals. The determination of fair market value under subsection (a) shall reflect the right to extract and dispose of minerals but not the other uses permitted by this subsection.

(c) In view of the fact that a substantial portion of the lands of the Fort McDowell Mohave-Apache Indian Community will be required for Orme Dam and Reservoir, or alternative, the Secretary shall, in addition to the compensation provided for in subsection (a) of this section, designate and add to the Fort McDowell Indian Reservation twenty-five hundred acres of suitable lands in the vicinity of the reservation that are under the jurisdiction of the Department of the Interior in township 4 north, range 7 east; township 5 north, range 7 east; and township 3 north, range 7 east, Gila and Salt River base meridian, Arizona. Title to lands so added to the reservation shall be held by the United States in trust for the Fort McDowell Mohave-Apache Indian Community.

(d) Each community may, pursuant to an agreement with the Secretary, develop and operate recreational facilities along the part of the shoreline of the Orme Reservoir located on or adjacent to its reservation, including land added to the Fort McDowell Reservation as provided in subsection (b) of this section, subject to rules and regulations prescribed by the Secretary governing the recreation development of the reservoir. Recreation development of the entire reservoir and federally owned lands under the jurisdiction of the Secretary adjacent thereto shall be in accordance with a master recreation plan approved by the Secretary. Each community and the members thereof shall have non-exclusive personal rights to hunt and fish on the reservoir, to the same extent they are now authorized to hunt and fish, without charge, but shall have no right to exclude others from the reservoir except by control of access through their reservations, or any right to require payments by the public except for the use of community lands or facilities.

(e) *All funds paid pursuant to this section, and any per capita distribution thereof, shall be exempt from all forms of State and Federal income taxes.*

SEC. 303. (a) *The Secretary is authorized and directed to continue to a conclusion appropriate engineering and economic studies and to recommend the most feasible plan for the construction and operation of hydro-electric generating and transmission facilities, the purchase of electrical energy, the purchase of entitlement to electrical plant capacity, or any combination thereof, including participation, operation, or construction by non-Federal entities, for the purpose of supplying the power requirements of the Central Arizona Project and augmenting the Lower Colorado River Basin Fund: Provided, That nothing in this section or in this Act contained shall be construed to authorize the study or construction of any dams on the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam.*

(b) *If included as a part of the recommended plan, the Secretary may enter into an agreement with non-Federal interests proposing to construct a thermal generating powerplant whereby the United States shall acquire the right to such portion of the capacity of such plant, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the operation of the Central Arizona Project. When not required for the Central Arizona Project, the power and energy acquired by such agreement may be disposed of intermittently by the Secretary for other purposes at such prices as he may determine, including its marketing in conjunction with the sale of power and energy from Federal powerplants in the Colorado River system so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates. The agreement shall provide, among other things, that—*

(1) *the United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplant, and of any switchyards and transmission facilities serving the United States, as is represented by the ratios of the respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of preparation of designs and specifications, in such installments as will facilitate a timely construction schedule, but no funds other than for pre-construction activities shall be made available by the Secretary until he determines that adequate contracts have been entered into between all the affected parties covering land, water, fuel supplies, power (its availability and use), rights-of-way, transmission facilities and all other necessary matters for the thermal generating powerplant;*

(2) *annual operation and maintenance costs, including provisions for depreciation (except as to depreciation on the pro rata share of the construction cost borne by the United States in accordance with the foregoing clause (1)), shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing clause (1);*

(3) *the United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the*

Interior that are made available for the powerplant and appurtenances;

(4) costs to be borne by the United States under clauses (1) and (2) shall not include (a) interest and interest during construction, (b) financing charges, (c) franchise fees, and (d) such other costs as shall be specified in the agreement.

(c) No later than one year from the effective date of this Act, the Secretary shall submit his recommended plan to the Congress. Except as authorized by subsection (b) of this section, such plan shall not become effective until approved by the Congress.

(d) If the thermal generating plant referred to in subsection (b) of this section is located in Arizona, and if it is served by water diverted from the drainage area of the Colorado River system above Lee Ferry, other provisions of existing law to the contrary notwithstanding, such consumptive use of water shall be a part of the fifty thousand acre-feet per annum apportioned to the State of Arizona by article III (a) of the Upper Colorado River Basin Compact (63 Stat. 31).

SEC. 304. (a) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges and, with the approval of the Secretary, State-administered wildlife management areas.

(b)(1) Irrigation and municipal and industrial water supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other arrangements whereby each such organization makes water from the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval, and the United States shall, if the Secretary determines such action is desirable to facilitate carrying out the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this clause (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

(2) Any obligation assumed pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9(e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(e)) may be on the basis of delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery for the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes.

(3) Contracts relating to municipal and industrial water supply under the Central Arizona Project may be made without regard to the limitations

of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

(c) Each contract under which water is provided under the Central Arizona Project shall require that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings adequate in his judgment to prevent excessive conveyance losses; and (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the service area of a contractor receiving water from the Central Arizona Project for any use outside said contractor's service area unless the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required. Such contracts shall be subordinate at all times to the satisfaction of all existing contracts between the Secretary and users in Arizona heretofore made pursuant to the Boulder Canyon Project Act (45 Stat. 1057).

(d) The Secretary may require in any contract under which water is provided from the Central Arizona Project that the Contractor agree to accept mainstream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (f) of this section: Provided, That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

(e) In times of shortage or reduction of mainstream Colorado River water for the Central Arizona Project, as determined by the Secretary, users which have yielded water from other sources in exchange for main stream water supplied by that project shall have a first priority to receive mainstream water, as against other users supplied by that project which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

(f)(1) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until, and shall continue only so long as, delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversions from the Gila River, its tributaries and underground water sources. In determining the amount required for

this purpose full consideration shall be given to any differences in the quality of the waters involved.

(2) The Secretary shall further offer to contract with water users in New Mexico for water from the Gila River, its tributaries, and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of an additional thirty thousand acre-feet, including reservoir evaporation. Such further increases in consumptive use shall not begin until, and shall continue only so long as, works capable of augmenting the water supply of the Colorado River system have been completed and water sufficiently in excess of two million eight hundred thousand acre-feet per annum is available from the main stream of the Colorado River for consumptive use in Arizona to provide water for the exchanges herein authorized and provided. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

(3) All additional consumptive uses provided for in clauses (1) and (2) of this subsection shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries, and underground water sources and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

SEC. 305. To the extent that the flow of the main stream of the Colorado River is augmented in order to make sufficient water available for release, as determined by the Secretary pursuant to Article II(b)(1) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340), to satisfy annual consumptive use of two million eight hundred thousand acre-feet in Arizona, four million four hundred thousand acre-feet in California, and three hundred thousand acre-feet in Nevada, respectively, the Secretary shall make such water available to users of mainstream water in those States at the same costs (to the extent that such costs can be made comparable through the nonreimbursable allocation to the replenishment of the deficiencies occasioned by satisfaction of the Mexican Treaty burden as herein provided and financial assistance from the development fund established by section 403 of this Act) and on the same terms as would be applicable if mainstream water were available for release in the quantities required to supply such consumptive use.

SEC. 306. The Secretary shall undertake programs for water salvage and ground water recovery along and adjacent to the main stream of the Colorado River. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary.

SEC. 307. The Dixie Project, heretofore authorized in the State of Utah, is hereby reauthorized for construction at the site determined feasible by the Secretary, and the Secretary shall integrate such project into the repayment arrangement and participation in the Lower Colorado River Basin Development Fund established by Title IV of this Act consistent with the provisions of the Act: Provided, That section 8 of Public Law 88-565 (78 Stat. 848) is hereby amended by deleting the figure "\$42,700,000" and inserting in lieu thereof the figure "\$58,000,000".

SEC. 308. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the project works authorized pursuant to this title shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213) except as provided in section 302 of this Act.

SEC. 309. (a) There is hereby authorized to be appropriated for construction of the Central Arizona Project, including prepayment for power generation and transmission facilities but exclusive of distribution and drainage facilities for non-Indian lands, \$779,000,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved here and, in addition thereto, such sums as may be required for operation and maintenance of the project.

(b) There is also authorized to be appropriated \$100,000,000 for construction of distribution and drainage facilities for non-Indian lands. Notwithstanding the provisions of section 403 of this Act, neither appropriations made pursuant to the authorization contained in this subsection (b) nor revenues collected in connection with the operation of such facilities shall be credited to the Lower Colorado River Basin Development Fund and payments shall not be made from that fund to the general fund of the Treasury to return any part of the costs of construction, operation, and maintenance of such facilities.

TITLE IV—LOWER COLORADO RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS: CONTRACTS

SEC. 401. Upon completion of each Lower Basin unit of the project herein or hereafter authorized, or separate feature thereof, the Secretary shall allocate the total costs of constructing said unit or features to (1) commercial power, (2) irrigation, (3) municipal and industrial water supply, (4) flood control, (5) navigation, (6) water quality control, (7) recreation, (8) fish and wildlife, (9) the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by performance of the Water Treaty of 1944 with the United Mexican States (Treaty Series 994), and (10) any other purposes authorized under the Federal reclamation laws. Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be nonreimbursable. The repayment of costs allocated to recreation and fish and wildlife enhancement shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213): Provided, That all of the separable and joint costs allocated to recreation and fish and wildlife enhancement as a part of the Dixie project, Utah, shall be nonreimbursable. Costs allocated to nonreimbursable purposes shall be nonreturnable under the provisions of this Act.

SEC. 402. The Secretary shall determine the repayment capability of Indian lands within, under, or served by any unit of the project. Construction costs allocated to irrigation of Indian lands (including provision of

water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 464), and such costs that are beyond repayment capability of such lands shall be nonreimbursable.

SEC. 403. (a) There is hereby established a separate fund in the Treasury of the United States to be known as the Lower Colorado River Basin Development Fund (hereinafter called the "development fund"), which shall remain available until expended as hereinafter provided.

(b) All appropriations made for the purpose of carrying out the provisions of Title III of this Act shall be credited to the development fund as advances from the general fund of the Treasury, and shall be available for such purpose.

(c) There shall also be credited to the development fund—

(1) All revenues collected in connection with the operation of facilities authorized in Title III in furtherance of the purposes of this Act (except entrance, admission, and other recreation fees or charges and proceeds received from recreation concessionaires), including revenues which, after completion of payout of the Central Arizona Project as required herein are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said project; and

(2) any Federal revenues from the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of the said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of those projects: Provided, however, That the Secretary is authorized and directed to continue the in-lieu-of-tax payments to the States of Arizona and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon project; and

(3) any Federal revenues from that portion of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona which, after completion of repayment requirements of the said part of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said portion of the Pacific Northwest-Pacific Southwest intertie and related facilities.

(d) All moneys collected and credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section shall be available, without further appropriation for—

(1) defraying the costs of operation, maintenance, and replacements of, and emergency expenditures for, all facilities of the projects, within such separate limitations as may be included in annual appropriation Acts; and

(2) payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 304(f) of this Act.

(e) Revenues credited to the development fund shall not be available for construction of the works comprised within any unit of the project herein or hereafter authorized except upon appropriation by the Congress.

(f) Moneys credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section in excess of the amount necessary to meet the requirements of clauses (1) and (2) of subsection (d) of this section shall be paid annually to the general fund of the Treasury to return—

(1) the costs of each unit of the projects or separable feature thereof authorized pursuant to Title III of this Act, which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act within a period not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law: Provided, That return of the costs, if any, required by section 307 shall not be made until after the payout period of the Central Arizona Project as authorized herein;

(2) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance with the provisions of subsection (h) of this section, and interest due shall be a first charge.

(g) All revenues credited to the development fund in accordance with clause (c)(2) of this section (excluding only those revenues derived from the sale of power and energy for use in Arizona during the payout period of the Central Arizona Project as authorized herein) and such other revenues as remain in the development fund after making the payments required by subsections (d) and (f) of this section shall be available (1) to make payments, if any, as required by sections 307 and 502 of this Act, and (2) upon appropriation by the Congress, to assist in the repayment of reimbursable costs incurred in connection with units hereafter constructed to provide for the augmentation of the water supplies of the Colorado River for use below Lee Ferry as may be authorized as a result of the investigations and recommendations made pursuant to clause 201(a)(2) and subsection 203(a) of this Act.

(h) The interest rate applicable to those portions of the reimbursable costs of each unit of the project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such unit, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

(i) Business-type budgets shall be submitted to the Congress annually for all operations financed by the development fund.

SEC. 404. On January 1 of each year the Secretary shall report to the Congress, beginning with the fiscal year ending June 30, 1969, upon the status of the revenues from and the cost of constructing, operating, and maintaining each lower basin unit of the project for the preceding fiscal year. The report of the Secretary shall be prepared to reflect accurately

the Federal investment allocated at that time to power, to irrigation, and to other purposes, the progress of return and repayment thereon, and the estimated rate of progress, year by year, in accomplishing full repayment.

TITLE V—UPPER COLORADO RIVER BASIN AUTHORIZATION AND REIMBURSEMENTS

SEC. 501. (a) In order to provide for the construction, operation, and maintenance of the Animas-La Plata Federal reclamation project, Colorado-New Mexico; the Dolores, Dallas Creek, West Divide, and San Miguel Federal reclamation projects, Colorado; and the Central Utah project (Uintah unit), Utah, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), and to provide for the completion of planning reports on other participating projects, clause (2) of section 1 of said Act is hereby further amended by (i) inserting the words "and the Uintah unit" after the word "phase" within the parentheses following "Central Utah"; (ii) deleting the words "Pine River Extension" and inserting in lieu thereof the words "Animas-La Plata, Dolores, Dallas Creek, West Divide, San Miguel", (iii) adding after the words "Smith Fork:" the proviso "Provided, That construction of the Uintah unit of the Central Utah project shall not be undertaken by the Secretary until he has completed a feasibility report on such unit and submitted such report to the Congress along with his certification that, in his judgment, the benefits of such unit or segment will exceed the costs and that such unit is physically and financially feasible:". Section 2 of said Act is hereby further amended by (i) deleting the words "Parshall, Troublesome, Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers Extension, Animas-La Plata", and inserting after the words "Yellow Jacket" the words "Basalt, Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomichi Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units)"; (ii) inserting after the word "Sublette" the words "(including a diversion of water from the Green River to the North Platte River Basin in Wyoming), Ute Indian unit of the Central Utah Project, San Juan County (Utah), Price River, Grand County (Utah), Gray Canyon, and Juniper (Utah)"; and (iii) changing the period after "projects" to a colon and adding the following proviso: "Provided, That the planning report for the Ute Indian unit of the Central Utah participating project shall be completed on or before December 31, 1974 to enable the United States of America to meet the commitments heretofore made to the Ute Indian Tribe of the Uintah and Ouray Indian Reservation under the agreement dated September 20, 1965 (Contract Numbered 14-06-W-194)." The amount which section 12 of said Act authorizes to be appropriated is hereby further increased by the sum of \$392,000,000, plus or minus such amounts, if any, as may be required, by reason of changes in construction costs as indicated by engineering cost indices applicable to the type of construction involved. This additional sum shall be available solely for the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel projects herein authorized.

(b) The Secretary is directed to proceed as nearly as practicable with the construction of the Animas-La Plata, Dolores, Dallas Creek, West

Divide, and San Miguel participating Federal reclamation projects concurrently with the construction of the Central Arizona Project, to the end that such projects shall be completed not later than the date of the first delivery of water from said Central Arizona Project: Provided, That an appropriate repayment contract for each of said participating projects shall have been executed as provided in section 4 of the Colorado River Storage Project Act (70 Stat. 107) before construction shall start on that particular project.

(c) The Animas-La Plata Federal reclamation project shall be constructed and operated in substantial accordance with the engineering plans set out in the report of the Secretary transmitted to the Congress on May 4, 1966, and printed as House Document 436, Eighty-ninth Congress: Provided, That construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

"ANIMAS-LA PLATA PROJECT COMPACT"

"The State of Colorado and the State of New Mexico, in order to implement the operation of the Animas-La Plata Federal Reclamation Project, Colorado-New Mexico, a proposed participating project under the Colorado River Storage Project Act (70 Stat. 105), and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and have agreed upon the following articles:

"ARTICLE I"

"A. The right to store and divert water in Colorado and New Mexico from the La Plata and Animas River systems, including return flow to the La Plata River from Animas River diversions, for uses in New Mexico under the Animas-La Plata Federal Reclamation Project shall be valid and of equal priority with those rights granted by decree of the Colorado state courts for the uses of water in Colorado for that project, providing such uses in New Mexico are within the allocation of water made to that state by articles III and XIV of the Upper Colorado River Basin Compact (63 Stat. 31).

"B. The restrictions of the last sentence of Section (a) of Article IX of the Upper Colorado River Basin Compact shall not be construed to vitiate paragraph A of this article.

"ARTICLE II"

"This Compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States."

(d) The Secretary shall, for the Animas-La Plata, Dolores, Dallas Creek, San Miguel, West Divide, and Seedska-dee participating projects of the Colorado River storage project, establish the nonexcess irrigable acreage for which any single ownership may receive project water at one hundred and sixty acres of class 1 land or the equivalent thereof, as determined by the Secretary, in other land classes.

(e) In the diversion and storage of water for any project or any parts thereof constructed under the authority of this Act or the Colorado River Storage Project Act within and for the benefit of the State of Colorado only,

the Secretary is directed to comply with the constitution and statutes of the State of Colorado relating to priority of appropriation; with State and Federal court decrees entered pursuant thereto; and with operating principles, if any, adopted by the Secretary and approved by the State of Colorado.

(f) The words "any western slope appropriations" contained in paragraph (i) of that section of Senate Document Numbered 80, Seventy-fifth Congress, first session, entitled "Manner of Operation of Project Facilities and Auxiliary Features", shall mean and refer to the appropriation heretofore made for the storage of water in Green Mountain Reservoir, a unit of the Colorado-Big Thompson Federal reclamation project, Colorado; and the Secretary is directed to act in accordance with such meaning and reference. It is the sense of Congress that this directive defines and observes the purpose of said paragraph (i), and does not in any way affect or alter any rights or obligations arising under said Senate Document Numbered 80 or under the laws of the State of Colorado.

SEC. 502. The Upper Colorado River Basin Fund established under section 5 of the Act of April 11, 1956 (70 Stat. 107), shall be reimbursed from the Colorado River Development Fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 755) for the money expended heretofore or hereafter from the Upper Colorado River Basin Fund to meet deficiencies in generation at Hoover Dam during the filling period of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose, \$500,000 for each year of operation of Hoover Dam and powerplant, commencing with the enactment of this Act, shall be transferred from the Colorado River Development Fund to the Upper Colorado River Basin Fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin Fund from the Lower Colorado River Basin Development Fund, as provided in subsection (g) of section 403.

TITLE VI—GENERAL PROVISIONS: DEFINITIONS: CONDITIONS

SEC. 601. (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994), the decree entered by the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774) or the Colorado River Storage Project Act (70 Stat. 1053).

(b) The Secretary is directed to—

(1) make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1970. Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Com-

mission, and shall be transmitted to the President, the Congress, and the Governors of each State signatory to the Colorado River Compact;

(2) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River Compact.

(c) All Federal officers and agencies are directed to comply with the applicable provisions of this Act, and of the laws, treaty, compacts, and decree referred to in subsection (a) of this section, in the storage and release of water from all reservoirs and in the operation and maintenance of all facilities in the Colorado River system under the jurisdiction and supervision of the Secretary, and in the operation and maintenance of all works which may be authorized hereafter for the augmentation of the water supply of the Colorado River system. In the event of failure of any such officer or agency to so comply, any affected State may maintain an action to enforce the provisions of this section in the Supreme Court of the United States and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

SEC. 602. (a) In order to fully comply with and carry out the provisions of the Colorado River Compact, the Upper Colorado River Basin Compact, and the Mexican Water Treaty, the Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River Storage Project Act, the Boulder Canyon Project Act, and the Boulder Canyon Project Adjustment Act. To effect in part the purposes expressed in this paragraph, the criteria shall make provision for the storage of water in storage units of the Colorado River Storage Project and releases of water from Lake Powell in the following listed order of priority:

(1) Releases to supply one-half the deficiency described in article III(c) of the Colorado River Compact, if any such deficiency exists and is chargeable to the States of the Upper Division, but in any event such releases, if any, shall not be required in any year that the Secretary makes the determination and issues the proclamation specified in section 202 of this Act.

(2) Releases to comply with article III(d) of the Colorado River Compact, less such quantities of water delivered into the Colorado River below Lee Ferry to the credit of the States of the Upper Division from other sources.

(3) Storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three lower division States and taking into consideration all relevant factors (including, but not limited to, historic streamflows, the most critical period of record, and probabilities of water supply), shall find this to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River Compact: Provided, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the Lower Division to the uses specified in article III(e) of the Colorado River Compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

(b) Not later than January 1, 1970, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the Governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than July 1, 1970, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1972, and yearly thereafter, the Secretary shall transmit to the Congress and to the Governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the Governors of the seven Colorado River Basin States and appropriate consultation with such State representatives as each Governor may designate.

(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

SEC. 603. (a) Rights of the upper basin to the consumptive use of water available to that basin from the Colorado River system under the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin.

(b) Nothing in this Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission.

SEC. 604. Except as otherwise provided in this Act, in constructing, operating, and maintaining the units of the projects herein and hereafter authorized, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

SEC. 605. Part I of the Federal Power Act (41 Stat. 1063; 16 U.S.C. 791a-823) shall not be applicable to the reaches of the main stream of the Colorado River between Hoover Dam and Glen Canyon dam until and unless otherwise provided by Congress.

SEC. 606. As used in this Act—

(a) All terms which are defined in the Colorado River Compact shall have the meanings therein defined;

(b) "Main stream" means the main stream of the Colorado River downstream from Lee Ferry within the United States, including the reservoirs thereon;

(c) "User" or "water user" in relation to mainstream water in the Lower Basin means the United States or any person or legal entity entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340) to use mainstream water when available thereunder;

(d) "Active storage" means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works;

(e) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming; and

(f) "Augment" or "augmentation", when used herein with reference to water, means to increase the supply of the Colorado River or its tribu-

taries by the introduction of water into the Colorado River system which is in addition to the natural supply of the system.

I. LEGISLATION CONSIDERED BY THE COMMITTEE

H.R. 3300 was introduced by Chairman Aspinall. Other bills considered by the Committee were: H.R. 9 (Udall), H.R. 722 (Hosmer), H.R. 744 (Johnson of California), H.R. 1179 (Rhodes of Arizona), H.R. 1271 (Steiger of Arizona), H.R. 5130 (Bell), H.R. 5355 (Utt), H.R. 5625 (Leggett), H.R. 6130 (Bob Wilson), H.R. 6271 (Hosmer), H.R. 6416 (Smith of California), H.R. 6552 (Chas. H. Wilson), H.R. 6603 (Hanna), H.R. 6619 (Roybal), H.R. 6620 (Smith of California), H.R. 6822 (Reinecke), H.R. 6848 (Van Deerlin), H.R. 6931 (Hawkins), H.R. 7008 (Tunney), H.R. 7084 (Holifield), H.R. 7194 (Edmondson), H.R. 7204 (Saylor), H.R. 7558 (King of California), H.R. 7562 (Lipscomb), H.R. 10524 (Teague of California), H.R. 14834 (Johnson of California, for himself and Messrs. King of California, Holifield, Miller of California, Gubser, Moss, Utt, Bob Wilson, Lipscomb, Teague of California, McFall, Bell, Corman, Brown of California, Roybal, Van Deerlin, Don H. Clausen, Del Clawson, Tunney, Rees, Wiggins, Smith of California, Reinecke), H.R. 14835 (Hosmer, for himself and Messrs. Leggett, Hanna, Pettis, Edwards of California, Mailliard, Mathias of California, and McCloskey), H.R. 14994 (Sisk, for himself and Messrs. Hawkins and Charles H. Wilson), and H.R. 15615 (Talcott).

The Committee also had before it, S. 1004, which passed the Senate on August 7, 1967.

II. PURPOSE AND SUMMARY OF LEGISLATION

H.R. 3300, as amended and approved by the Committee, provides for regional and westwide water resources planning to remedy the present and prospective critical water situation in the Pacific Southwest, including the entire Colorado River Basin. The Secretary of the Interior, working under general criteria to be established by the Water Resources Council and in consultation with the affected States, is required to conduct westwide studies to determine how and where to get additional water supplies for use in the Colorado River Basin and to develop a plan for meeting not only present Colorado River water commitments but future water needs throughout the basin as well. However, he is forbidden to recommend importation from areas of surplus without the approval of the States affected.

H.R. 3300 declares that the satisfaction of the water requirements of the Mexican Water Treaty constitutes a national obligation. At the time the Santa Fe Compact was negotiated, it was agreed that in the event there should thereafter be a Treaty with Mexico that the water requirements of that treaty would be furnished from surplus waters. It was at that time anticipated that there would be ample surplus waters available for that purpose. When the Treaty was ultimately negotiated it was still believed that ample surplus supplies were available, although as a precautionary step the Treaty did provide that in the event of extraordinary drought the water allotted to Mexico would be reduced in the same proportion as were the consumptive uses in the United States. The terms of H.R. 3300 make it clear that the Colorado

River Basin States will be relieved of any obligation to reduce their uses in order to supply the water requirements of the Treaty. H.R. 3300 further provides that the cost of such augmentation will be nonreimbursable or, in other words, a cost charged against the entire Nation. Augmentation studies only are authorized in this legislation; augmentation works will not be built until they have been determined to be feasible and have been specifically authorized by the Congress.

H.R. 3300 authorizes additional water resources developments in both the Lower and Upper Colorado River Basins. In the Lower Basin, the Central Arizona Project is authorized for the purpose of providing water for the rapidly expanding metropolitan areas of Phoenix and Tucson by coordinating the use of Colorado River water and local water resources of the Gila River Basin. The project includes the Hooker dam and reservoir in New Mexico or a suitable alternative. In addition to an aqueduct system, regulating reservoirs, and other essential project facilities, the project also includes programs for water salvage and groundwater recovery. The controversial Colorado River dams have been eliminated from the plan. As a means of furnishing the necessary project pumping power, authority is given the Secretary of the Interior to acquire, through a prepurchase arrangement, the right to a portion of the capacity of a large non-Federal fossil fuel thermal generating plant if he determines that this is the best way to obtain such power.

The Central Arizona Project is estimated to cost \$779 million, not including irrigation distribution systems for non-Indian lands which may or may not be built or financed by the Federal government. Pursuant to reclamation law and the provisions of this legislation, an estimated \$671 million, or more than 86 percent of the project cost, will be repaid over a 50-year period, and the remainder will be non-reimbursable as a Federal payment for recreation, flood control, fish and wildlife, water salvage and wildlife refuge. Irrigation distribution systems for non-Indian lands which are built or financed by the Federal government will be handled by separate contracts on a reimbursable basis. The Central Arizona Project is described more fully in Part X of this report.

The Supreme Court in *Arizona v. California*, 373 U.S. 546, left the Secretary of the Interior with certain powers to allocate the waters of the mainstream of the Colorado River in water-short years. However, the Court recognized that Congress can itself make such an allocation, or provide a formula for such an allocation, if it wishes to do so. H.R. 3300 provides a statutory formula to cope with years of water shortage. When the water supply is insufficient to satisfy the annual consumptive use of 7.5 million acre-feet in Arizona, California, and Nevada, present perfected rights (as that term is defined in the Court's decree), the rights of Federal reservations, and existing contract commitments which are backed up by works in place must all be honored before mainstream water is made available to the proposed Central Arizona Project. Protection for California users would, however, be limited to a maximum of 4.4 million acre-feet per year, in accordance with the California Self-Limitation Act. The limitation on diversions by the Central Arizona Project would be inoperative in any year in which the Lower Colorado River has sufficient water to supply the Mexican Water Treaty entitlement plus 7.5 million acre-feet annually

for consumptive use from the mainstream in Arizona, California, and Nevada.

The Upper Basin projects which are included in H.R. 3300 for authorization as participating projects of the Colorado River Storage Project are the Animas-La Plata, Dolores, Dallas Creek, West Divide and San Miguel. Together they are estimated to cost \$392 million. These projects will be financed through the Upper Colorado River Basin Fund established in 1956 by the Colorado River Storage Project legislation. The revenue sources for this fund are payments by the water and power users of Upper Basin projects. Of the total cost of these projects, an estimated \$370 million, or more than 94 per cent, will be repaid in a 50-year period following their completion, and the remainder will be non-reimbursable pursuant to Federal reclamation law. The Uintah unit of the Central Utah Project is also included but its authorization is conditioned upon submission of a planning report to the Congress, certification as to its feasibility and authorization of appropriations for its construction.

A lower Colorado River Basin development fund is established by H.R. 3300 which will financially assist the Central Arizona Project, the previously authorized Dixie project in Utah, and augmentation works which may hereafter be authorized by the Congress. The revenue sources for this fund, in addition to the Central Arizona Project and the Dixie Project, are the Hoover and Parker-Davis projects and that part of the Pacific Northwest-Pacific Southwest power intertie located in the States of Arizona and Nevada. With respect to the revenues accruing to this fund from the Hoover and Parker-Davis projects, only that part derived from the sale of power and energy for use in Arizona will be available for assistance to the Central Arizona Project.

H.R. 3300 also includes provisions for implementing the Colorado River Compact and the decree of the Supreme Court in *Arizona v. California*. These provisions establish guidelines for water management throughout the Colorado River Basin and assure equitable treatment of all seven States of the Basin now and in the future.

Finally, this legislation removes that stretch of the Colorado River between Hoover Dam and Glen Canyon Dam from the licensing authority of the Federal Power Commission, reserving decision with respect to any development on this stretch of the river for later action by the Congress.

III. GENERAL CONCLUSIONS AND COMMITTEE RECOMMENDATION

The views and findings of the Committee with respect to the provisions and issues involved in H.R. 3300, as set forth in this report, support the following general conclusions:

(1) One of America's fastest growing regions—the Colorado River Basin—is in danger of economic stagnation unless its presently available water supplies can be augmented. Colorado River water, which is the very life blood of this area, is fast being exhausted. There is more Colorado River water already committed by compacts, contracts, the Mexican Water Treaty, and the Supreme Court decree in *Arizona v. California* than will be available from the River. And while all these instruments

include provisions for handling shortages, attempts to do so leads only to controversy—controversy between the Lower Basin and the Upper Basin and controversy between and among states. The answer to the Colorado River controversy is not to try to divide shortages but to provide additional water.

(2) In addition to the fact that the Colorado River is over-committed, testimony presented to the Committee clearly shows that in the lower Colorado River Basin there is already an imbalance between water requirements and water availability and that this imbalance will continue to grow as (a) water requirements increase with the increasing population and expanding industry, and (b) water availability decreases as Upper Basin development progresses. It seems to the Committee that this presently thriving, prosperous area of our Nation is clearly on a collision course with economic disaster unless this water gap can be closed by augmentation of the Colorado River basin water supplies.

(3) The question is not whether there is to be augmentation—the question is “by what means.” While “in-basin” conservation measures and programs can assist in relieving the critical Lower Basin water situation, and weather modification may contribute additional water some time in the future, it appears to the Committee that the most certain means available to assure augmentation to meet the water demands are either importation from other basins where there is a surplus or desalination. The first step is to initiate immediately studies of all possible means of augmentation and expedite such studies to the greatest possible extent.

(4) The Committee's study of the events and negotiations leading up to the United States-Mexican Water Treaty, along with what has turned out to have been an extremely inaccurate forecast as to the amount of water that might be expected from the Colorado River, has convinced the Committee that there is justification for relieving the Colorado River Basin States of any obligation of meeting the Mexican Treaty water burden if such an obligation does, in fact, exist, and making the obligation a national one by providing that the cost of the augmentation necessary to satisfy the Treaty water requirements shall be non-reimbursable. The Committee notes that the only way the States can furnish the Mexican Treaty water is with water they—with the approval of the United States—apportioned among themselves by compact; it cannot be furnished with water which is surplus to compact amounts as had been anticipated at the time the Compact and the Treaty were agreed to.

(5) The Committee concludes that the matter of building main-stream dams on the Colorado River between Hoover Dam and Glen Canyon Dam should be postponed for later decision by the Congress on the basis of further study and further determination with respect to need.

(6) The Committee concludes that, the State of Arizona having established its right to a substantial portion of the Colorado River water by the decision of the United States Supreme Court, construction of this rescue project should be permitted to proceed under the conditions set out in this legislation, including those for the protection of existing Federal and non-Federal projects, but

that no project water should be used to bring into production any new agricultural lands and that the authorization to construct should be accompanied by the immediate initiation of meaningful studies to find new sources of water.

(7) The Committee concludes that the five Upper Basin projects which are authorized in this Act are needed and will greatly enhance the economies of the areas which they will serve. They have been found to be economically and physically feasible under the provisions of both this Act and the Colorado River Storage Project Act and they meet all of the standards and criteria established by the Committee and the Congress for authorization.

(8) The Committee believes that the criteria for reservoir operations on the Colorado River which are set out in Title VI of this act are equitable to both the Upper and Lower Basins and will contribute to efficient and reasonable reservoir management. The Committee wants it to be clearly understood that the right of the Upper Basin States to utilize the water apportioned to them for consumptive use under the Colorado River Compact must never be reduced or prejudiced by the temporary use of any unused waters elsewhere in the Colorado River Basin.

(9) This bill constitutes another important step in the broad national program devised by Congress to develop and utilize wisely the resources with which the Nation is endowed. Numerous similar water development programs have been undertaken throughout the Nation: in the Central Valley in California, along the Columbia River, throughout the valleys of the Tennessee and Missouri Rivers, and even on the Colorado itself—to mention just a few. These massive developments require a considerable Federal investment, but from all of them the rewards and benefits far exceed the costs, both economically and physically. This particular water development program has added urgency because of the desperate water supply situation existent throughout the Colorado River Basin.

On the basis of the foregoing conclusions, and after very careful and studied consideration of the issues and problems involved in this legislation, the Committee on Interior and Insular Affairs has redrafted H.R. 3300 and recommends its enactment as amended by the Committee.

IV. HISTORY AND LAW OF THE COLORADO RIVER

INTRODUCTION

The Colorado River rises in the high snowcapped mountains of Colorado and flows in a southwesterly direction for approximately 1,400 miles through Colorado, Utah, and Arizona and along the Arizona-Nevada and the Arizona-California boundaries until it empties into the Gulf of California in Mexico. On its way to the sea, waters are added by tributaries which originate in the States of Wyoming, Colorado, Utah, Nevada, New Mexico, and Arizona.

The river and its tributaries drain a vast area of approximately 242,000 square miles—about one-twelfth the area of the continental United States, excluding the State of Alaska. Most of this large basin is so arid that it is largely dependent upon controlled and managed

use of the waters of the Colorado River system to make it productive and inhabitable. There is an additional area of 7,800 square miles, which includes the Imperial and Coachella Valleys in southern California, which is considered to be a part of the Lower Colorado River Basin. The basin is divided into the Upper Basin, where waters naturally drain into the Colorado River above Lee Ferry, and the Lower Basin, where waters drain into the river below Lee Ferry.

Archeological evidence indicates that as long as 2,000 years ago the Hohokam people constructed, operated and maintained irrigation canals near the location of the present city of Phoenix, Arizona. Other Indians were practicing irrigation in that region when the first white men arrived. In the second half of the 19th century, people in the Imperial Valley of California devised plans to divert water from the Colorado River to make the parched soil of the valley productive. Throughout the latter part of the 19th and the first part of the 20th centuries, with California and Arizona taking the lead, the people in all seven of the basin States continued to seek ways to meet their water needs.

EARLY DEVELOPMENT

In the Lower Basin, the diversion of water from the Colorado River for agricultural purposes started, on a large scale, around the turn of the century. Works to divert water into the Imperial Valley were completed in 1901 as a private undertaking. That same year, large diversion works were also begun in the Palo Verde Valley. The limited and erratic nature of the river flows from year to year and season to season, together with physical impediments, including deep canyons and long distances, and other engineering and economic problems prevented local entities and the States from constructing the necessary storage dams, canal systems and other expensive facilities required for a dependable year-round water supply. The Fall-Davis report in 1922 (S. Doc. No. 142, 67th Cong., second sess.), speaking of the Colorado River says, "Its problems are of such magnitude as to be beyond the reach of other than a national solution." It thus became inevitable that if the erratic and often destructive flows of the Colorado River were to be transformed into the controlled water supply so desperately needed in the seven States, the Congress would be called upon to authorize the Federal government to undertake the necessary construction works.

After the passage of the Reclamation Act of 1902, investigations were immediately started to determine the feasibility of large irrigation projects. The Yuma project was authorized in 1904 and the first water was delivered in 1907. By 1920, irrigation works constructed primarily by private enterprise had expanded to such an extent that the unregulated flow of the Colorado River was completely utilized during periods of low flow so that further expansion was dependent upon construction of storage reservoirs on the river.

By 1920, this rapidly expanding use of Colorado River water in the State of California was viewed with increasing alarm by officials in the Upper Basin States. As a consequence of their concern the League of the Southwest was organized to promote the orderly development and equitable division of the waters of the entire Colorado River.

Congress approved legislation that same year (41 Stat. 600) directing the Secretary of the Interior to make a full and comprehensive

study and report on the possible diversions and use of waters of the Colorado River. The report, presenting engineering data on water supply, irrigated lands, irrigable lands, water requirements, potential power developments, and needed flood protection, as well as possible reservoir sites in both the Upper and Lower Basins, was completed and submitted to Congress in 1922. It was the recommendations in this report which led to the introduction, on April 25, 1922, of the first bill to authorize the construction of the Boulder Canyon Dam (now Hoover Dam).

Before construction of Hoover Dam, the lower reaches of the Colorado River were subjected to severe annual floods. This menace was fully realized in 1905 when the Colorado, swollen by floodwaters, broke through a cut 4 miles below the international boundary and, for 16 months poured its entire flow into the fields and communities of the Imperial Valley. The outpour enlarged the Salton Sea to a lake 488 square miles in area and threatened to engulf the entire valley. The break was finally closed with great difficulty and expense but only after 30,000 acres of arable land had been inundated, farms ruined, homes destroyed, highways washed away, and railroad tracks destroyed. This tragic occurrence, indicating the need for flood control on the Lower Colorado River, became a motivating reason for the construction of the Hoover Dam.

COLORADO RIVER COMPACT

During the period when the studies by the Secretary of the Interior were being conducted, negotiations were underway for an interstate agreement on the waters of the river—negotiations which led to the Colorado River Compact. While it was recognized that storage on the Colorado River was essential, the Upper Basin States faced the possibility that water conserved by storage would be put to use in the Lower Basin more rapidly than the Upper Basin could utilize its share of the normal flow; thus, some agreement was essential to reserve water that would later be needed in the upper basin.

As a result of the negotiations among the States, it was agreed that an interstate compact would be the best means for establishing an equitable apportionment of the water and protection of the Upper Basin. Prior to that time, an interstate compact had never been used for the allocation of the waters of an interstate stream. Congress consented to the negotiations by legislation enacted in August 1921 (42 Stat. 171) and the Colorado River Compact Commission convened for its first meeting in January 1922. The Commission held 27 meetings before reaching a final agreement on the Compact which was signed in Santa Fe, N. Mex., on November 24, 1922. (The text of the Compact can be found at 70 Congressional Record 324 (1928).)

The Compact has several main provisions:

1. It divides the Colorado River Basin into two parts—Lower and Upper Basins.
2. It apportions from the Colorado River system, in perpetuity, 7,500,000 acre-feet of water a year to each of the two Basins for beneficial consumptive use.
3. It authorizes the Lower Basin to increase its beneficial consumptive use by 1 million acre-feet a year.
4. It provides that if (as has proved to be the case) the United

States recognizes the right of Mexico to a share of the waters of the Colorado, that share shall first come out of water surplus to the allocation of 16 million acre-feet to the two Basins. It also provides, however, that if sufficient surplus waters are not available, for Mexico's allotment, the Mexican deficiency is to be met equally by the Upper and Lower Basins.

5. It enjoins the States of the upper division "not [to] cause the flow of the river at Lee Ferry to be depleted below an aggregate of 75 million acre-feet for any period of 10 consecutive years * * *."

Between January and April 1923 all of the States of the Basin, except the State of Arizona, ratified the Compact. In 1925, numerous conferences were held in Arizona, California, and Nevada in an effort to obtain ratification by Arizona of the Colorado River Compact and to negotiate a three-State Compact dividing the waters allocated to the Lower Colorado River Basin; however, the States never reached agreement on either issue.

In 1927, the Governors of the seven Colorado River Basin States held a series of meetings in Denver in a further effort to settle the division of the Lower Basin water supply and to bring about a seven-State ratification of the Compact. The Governor's conference proposed that the average annual 7.5 million acre-feet of water delivered by the Upper Basin States at Lee Ferry be divided 300,000 acre-feet to Nevada, 3 million acre-feet to Arizona, and 4.2 million acre-feet to California. This proposal was found unsatisfactory by both Arizona and California.

The failure to bring about a seven State ratification of the Compact and to settle the differences in the Lower Basin delayed action by the Congress on legislation authorizing the construction of the Hoover Dam. Finally, in December 1928, after years of delay and consideration of many different versions of the legislation, the Boulder Canyon Project Act was enacted (45 Stat. 1057) notwithstanding the failure of Arizona to ratify the Compact and the inability of the States of the Lower Basin to agree on the division of their allocation of Colorado River water.

BOULDER CANYON PROJECT ACT AND CALIFORNIA LIMITATION ACT

In the Boulder Canyon Project Act, Congress consented to the Compact and waived the Compact requirement of seven-State approval. It provided, however, that, in the absence of seven-State approval, the Compact would become effective only when approved by California and at least five of the other States; and it further provided that California would be required to limit its consumptive use of Colorado River water.

California met the requirement imposed on it by passing the California Limitation Act (California Statutes, 1929, p. 38) on March 4, 1929. By its Act, California thus accepted the terms of the Boulder Canyon Project Act and its limitation of 4.4 million acre-feet per year from the 7.5 million acre-feet apportioned by Article III(a) of the Compact allocated to the Lower Basin plus one-half of the surplus or excess water available. The Project Act, with this limitation on California, thus not only reserved Lower Basin water for the States of Arizona and Nevada but it provided protection to the Upper Basin

States against California's proceeding with unlimited development and assurance that the Compact would not be nullified.

The Boulder Canyon Project Act again invited the Lower Basin States to come into agreement on the division of water by the inclusion of a provision authorizing the three States to enter into an agreement apportioning the Lower Basin share between them as follows:

- (1) Nevada, 300,000 acre-feet annually;
- (2) Arizona, 2.8 million acre-feet annually plus one-half of any surplus waters unapportioned by the Compact and exclusive beneficial consumptive use of the Gila River and its tributaries; and
- (3) California, 4.4 million acre-feet annually plus one-half of any surplus waters unapportioned by the Compact.

This tri-State apportionment proposal, however, was never agreed to by the three States involved.

The Boulder Canyon Project Act was declared to be effective on June 25, 1929, by President Hoover and construction of Hoover Dam was initiated in 1930. Notwithstanding Arizona's refusal to approve and ratify the Colorado River Compact and its unsuccessful legal attempts to stop construction of the dam, the dam started to impound water in February 1935.

MEXICAN WATER TREATY

Mexico began pressing for a permanent and assured share of Colorado River water prior to the time of the Colorado River Compact, and discussion of water for Mexico occupied a prominent part of the negotiations for the Compact. As has been mentioned, the Compact recognized that an allocation to Mexico might be required in the future. In 1925, Congress authorized negotiation of a treaty with Mexico with respect to the waters of the Colorado River and negotiations were accordingly attempted in 1930, but without success. The negotiations which ultimately led to the consummation of the treaty on February 3, 1944 (59 Stat. 1219), were initiated in 1941 and continued through 1942 and 1943. Under the treaty, Mexico is allotted 1.5 million acre-feet of water annually. It was further provided that in times of surplus the United States would endeavor to deliver up to 1.7 million acre-feet of water and, in the event of extraordinary drought, the 1.5 million acre-feet would be reduced in proportion to the reduction of consumptive uses in the United States.

There is a difference of opinion between the Upper Basin and the Lower Basin as to the requirements under the Compact for delivering this water to Mexico. The question is whether or not the Lower Basin tributaries should be taken into account in computing the amount of the surplus which, under the Compact, is to be used so far as possible for meeting the treaty requirements. If H.R. 3300 is enacted and the investigations required by Title II lead to the authorization and construction of works which augment the Colorado River water supply by an amount which is sufficient to meet the deficiencies created by the Mexican Treaty burden, judicial interpretation of the Compact on this point will probably never have to be made.

Part VIII of this report discusses more fully the effects of fulfilling the United States obligation under the Mexican Water Treaty from the water supply of the Colorado River System.

UPPER COLORADO RIVER BASIN COMPACT

During the 1940's and 1950's the four Upper Division States began to feel the pressures of rapid population growth, the industrialization following World War II, and the need for additional products of irrigated agriculture. Before large-scale development could go forward, however, the negotiation of a compact relative to use of the Upper Basin's apportionment of water was essential if the rapidly growing water needs of Colorado, New Mexico, Utah, and Wyoming, were to be supplied.

In the Upper Basin, for various reasons, the problem of negotiating an interstate Compact was less controversial than in the Lower Basin. On October 11, 1948, following preliminary meetings at other points in the Basin, a Compact among the five States having territory in the Upper Basin was executed in Santa Fe, New Mexico. In addition to 20 other articles relating to other matters, the Compact apportions the consumptive use of 50,000 acre-feet of water annually to the State of Arizona and divides the remainder of the Upper Basin entitlement, in terms of percentage, as follows:

	<i>Percent</i>
Colorado -----	51.75
New Mexico -----	11.25
Utah -----	23.00
Wyoming -----	14.00

The apportionments made to each State include all of the water necessary to supply all existing rights. These percentages, then, constitute the total amount of water available for Upper Basin use after deducting the 50,000 acre-feet for Arizona.

For the official text of the Upper Basin Compact see 63 Stat. 31 (1949). It is also reprinted in the Interior Department's publication "Documents on the Use and Control of the Waters of Interstate and International Streams," pages 218ff (1956).

ARIZONA RATIFIES COMPACT AND ENTERS INTO WATER CONTRACT

The State of Arizona ratified the Colorado River Compact on February 24, 1944, and in the same year entered into a contract with the Department of the Interior for 2.8 million acre-feet of water from the Colorado River, subject to its availability, pursuant to the provisions of the Boulder Canyon Project Act. The Department, as previously outlined, had already entered into contracts with users in California and with the State of Nevada. The Arizona contract provided for the delivery of a maximum of 2.8 million acre-feet per annum by the United States to agencies or water users within the State of Arizona who entered into appropriate contracts with the United States. The contract also provided that all consumptive uses of mainstream Colorado River water within the State should be deemed *pro tanto* a discharge of the obligations of the contract. A portion of the 2.8 million acre-feet is being put to use at the present time by users along the river, principally in the vicinity of Yuma, Arizona.

COLORADO RIVER STORAGE PROJECT ACT

In 1956 the Congress enacted the Colorado River Storage Project Act (70 Stat. 105). This Act authorized the construction of a compre-

hensive, multiple-purpose, basinwide, water resource development plan known as the Colorado River Storage Project and Participating Projects. It is amended by Title V of H.R. 3300.

PRESENT DEVELOPMENT ON THE RIVER

As indicated, Hoover Dam started to impound water in February 1935. Hoover Dam is located in Black Canyon 330 miles above the Mexican border and provides a reservoir with a usable storage capacity of 27,200,000 acre-feet.

Parker Dam, located 155 miles below Hoover Dam, with a usable reservoir capacity of 619,000 acre-feet, first impounded water in June 1938. This is the diversion point on the river for the Colorado River aqueduct of the Metropolitan Water District of Southern California.

Between the two, Davis Dam, located 67 miles below Hoover Dam, with a usable reservoir capacity of 1,810,000 acre-feet, reregulates releases from Hoover Dam to conform to downstream water use requirements including the requirements of the Mexican Treaty. It first impounded water in January 1950.

There are five additional diversion dams on the river in the Lower Basin:

(1) Headgate Rock Dam, located 15 miles below Parker Dam, diverts water to the Colorado River Indian Reservation:

(2) Palo Verde Dam, located 42 miles below Headgate Rock Dam, was completed in 1957 to divert water to the Palo Verde Irrigation District;

(3) Imperial Dam, located 90 miles below Palo Verde Dam, serves as the diversion point for the All-American Canal, and the Yuma and Gila projects;

(4) Laguna Dam, located 5 miles below Imperial Dam, which once served as the diversion point for the Yuma and North Gila Valley projects, is no longer in operation;

(5) Morelos Dam, located on the river below California on the Arizona-Mexico boundary, serves as the diversion point for the Mexican Canal, thus supplying irrigation water to the Mexicali Valley.

The All-American Canal system, replacing an existing, but obsolete system, went into operation in 1940. Through this system, diversions for the Imperial and Coachella Valleys and for the Yuma project now average more than 5 million acre-feet per year. Other principal Lower Basin water utilization projects diverting water from the main stream include the Gila project, the Palo Verde Irrigation District project, the Colorado River aqueduct, and works serving the Indian reservations.

By 1963, some \$600,000,000 of Federal and non-Federal funds had been invested in California's three mainstream projects—the Metropolitan Water District's Colorado River Aqueduct (serving some 60 cities and districts on the coastal plain, including Los Angeles and San Diego), the All-American Canal (serving Imperial and Coachella Valleys, plus small areas in the Federal Yuma Project in California), and Palo Verde Irrigation District. Works had been constructed to use 5.4 million acre-feet, subject to the limitation imposed by the Boulder Canyon Project Act (4.4 million acre-feet of water apportioned by the compact plus one-half of any excess or surplus), and about 5.1 million

had been put to use. H.R. 3300 protects the priorities of only the 4.4 million, pending augmentation of the river. Projects had been authorized in Arizona to use about 1.2 million (primarily the Gila Project and the Colorado River Indian Reservation), and in Nevada to use something under 100,000.

In the Upper Basin, the storage reservoirs completed are Glen Canyon, just above Lee Ferry; Flaming Gorge on the Green River; and Navajo, on the San Juan River. In addition, the Curecanti unit, on the Gunnison River, is in an advanced stage of construction.

ARIZONA *v.* CALIFORNIA

The continuing dispute between Arizona and California over their respective rights to the waters of the Colorado River has in the past constituted an insurmountable obstacle to the passage of bills to authorize construction of the Central Arizona Project. On April 18, 1951 this Committee, during deliberations on the Central Arizona Project, adopted a resolution providing that consideration of further bills relating to the Central Arizona Project—

be postponed until such time as use of the water in the lower Colorado River Basin is either adjudicated or binding or mutual agreement as to the use of the waters is reached by the States of the Lower Colorado River Basin.

Shortly after this resolution was adopted, an action was instituted in the Supreme Court of the United States by the State of Arizona against the State of California to obtain such an adjudication. The principal issue in this litigation concerned the relative entitlement of California and Arizona to the use of water from the Colorado River, Arizona alleging that, pursuant to the Colorado River Compact and the Boulder Canyon Project Act, Arizona was entitled to the beneficial consumptive use of 2.8 million acre-feet of water each year from the Colorado River and that California's corresponding entitlement was limited to 4.4 million acre-feet.

The United States and Nevada intervened and, on the motion of California, New Mexico and Utah were added as parties in the case. The litigation was referred to a special master whose report was issued in December 1960. The opinion of the Supreme Court was rendered on June 3, 1963 (373 U.S. 546), and, 12 years after it began, the Court, on March 9, 1964, issued its decree (376 U.S. 340).

The Supreme Court findings are summarized as follows:

The Colorado River Compact essentially divided the water between the Upper and Lower Basins, but it did not attempt to allocate water to individual States within either Basin. The Court held that neither the Compact, nor the law of prior appropriation, nor the doctrine of equitable apportionment controlled the division of Lower Basin water between the States of the Lower Basin, but that the Boulder Canyon Project Act authorized an apportionment of the lower Colorado River and hence must be used as a guide.

In ratifying the Boulder Canyon Project Act, California covenanted—by the Act of its Legislature—to limit its annual consumption of Colorado River water to 4,400,000 acre-feet plus one-half of any surplus. Under terms of the Act, Arizona

and Nevada were allocated 2,800,000 and 300,000 acre-feet, respectively, with Arizona to share any surplus equally with California with provision that should Nevada contract for 4 percent of the surplus, Arizona's share of such surplus would be reduced to 46 percent.

The apportionment of Lower Basin water was restricted to the main stream of the Colorado downstream from Lee Ferry within the United States. Each State retained exclusive use of its tributaries without charge to its apportioned water; consequently, the all-important use of the Gila River in Arizona was awarded to that State without charge against its main-stream entitlement—a key issue in the dispute.

The Secretary of the Interior, within the confines of the Act, has authority to allocate and distribute the waters of the main stream of the Colorado in water-short years, subject to power of Congress to enlarge or diminish his authority.

Indian reservations are given priority for water, dating from the time the lands in question became a part of the reservation.

V. HISTORY OF LEGISLATION

This legislation grows out of a long series of bills, the earliest of which dealt with the Central Arizona Project alone.

In 1947, the Bureau of Reclamation submitted a feasible Central Arizona Project proposal to the Congress and its authorization was sought by bills in the 80th Congress. During the 81st and 82nd Congresses, the Senate twice passed Central Arizona Project authorizing legislation, but the legislation was not approved by the House of Representatives.

Consideration of legislation to authorize the Central Arizona Project was postponed indefinitely in April 1951 when this Committee adopted the resolution referred to in Part IV of this report.

Thus, in 1952, *Arizona v. California* was instituted, and, finally, on June 3, 1963, the United States Supreme Court issued its opinion and later, on March 9, 1964, its decree, as above stated. By this opinion and decree, Arizona finally secured an adjudication of its entitlement to 2.8 million acre-feet of main stream water from the Colorado River.

Almost immediately following the issuance of the opinion in *Arizona v. California*, legislation was again introduced in both Houses of the Congress to authorize the construction of the Central Arizona Project. From this point on, prolonged and complex negotiations evolved, not only between Arizona and California, but among all of the States of the Colorado River Basin.

The expanded concept of regional water development had its beginning in the so-called Pacific Southwest Water Plan, circulated in 1964 by the Secretary of the Interior and the Bureau of Reclamation. The Pacific Southwest Water Plan grew out of a letter from Chairman Aspinall to Secretary Udall, written in November 1962, requesting "an outline for a coordinated, comprehensive pattern under which, in your Department's understanding and view, the Southwest's water and power needs might be satisfactorily provided for."

During the 88th Congress and the subsequent Congressional recess, negotiations were in progress among various interests in the States of the Basin. Numerous bills were introduced in both Houses in the

89th Congress which reflected all or a portion of the compromises and agreements resulting from these negotiations, as well as portions of the regional development concept of the Pacific Southwest Water Plan.

The continuing negotiations were reflected in hearings in the 89th Congress and action by this Committee on H.R. 4671, to authorize the Lower Colorado River Basin Project. Hearings were held in August and September of 1965 on H.R. 4671 and similar bills, and again in May of 1966. On August 11, 1966, H.R. 4671 was favorably reported (House Rept. No. 1849, 89th Congress) with amendments and with numerous separate and dissenting views.

H.R. 4671 of the 89th Congress was regional in scope and raised a number of issues of national concern. As reported, the bill included the authorization of the Central Arizona Project; establishment of a National Water Commission; provisions for augmentation studies, including studies of transbasin diversions of water; provisions for making the Mexican Treaty obligation a national obligation and for satisfying the treaty requirements out of water to be imported from other river basins; authorization of Hualapai and Marble Canyon Dams; establishment of a basin development fund; provision of a 4.4-million acre-foot priority to California until augmentation could be accomplished; authorization of the Animas-La Plata, Dolores, Dallas Creek, San Miguel, and West Divide participating projects of the Colorado River Storage project; and various other provisions reflecting the results of interstate negotiations. Though approved by this Committee, H.R. 4671 was not acted upon further in the 89th Congress.

Immediately after the 90th Congress convened, bills were once again introduced in both Houses to authorize the Central Arizona Project and several versions of the Colorado River Basin project. The bills varied widely. Some were identical to or patterned closely after H.R. 4671, as reported in the 89th Congress. Variations reflected attempts to achieve compromises on the points of opposition to earlier bills, or the dissolution of earlier agreements and compromises. H.R. 3300, as introduced by Chairman Aspinall, was similar to H.R. 4671, as reported, the principal exceptions being that provisions relating to Marble Canyon dam and the National Water Commission were deleted, and the water augmentation investigations and report were down-graded from feasibility grade to reconnaissance. The Committee held four days of hearings on H.R. 3300 and related bills in March of 1967.

In February 1967, the Secretary of the Interior recommended legislation to authorize the Central Arizona Project without main-stream dams and incorporating the Administration's proposal for acquiring, through a prepurchase arrangement, the necessary project pumping power. S. 1004, patterned after the Administration bill, was passed by the Senate on August 7, 1967. It includes no augmentation study provisions or dams on the Colorado River. S. 1004 does, however, include provisions for establishing a basin development fund. It also includes the five Upper Basin projects and criteria for operating all the dams on the river. In S. 1004, the 4.4 million acre-feet priority to California is limited to 27 years.

This Committee resumed its consideration of the Colorado River legislation in hearings on January 30 and February 1 and 2 of this year. These hearings were scheduled for the purpose of soliciting from the Secretary of the Interior information and data on specific aspects of the legislation. No additional testimony from public witnesses was taken. In addition to further clarifying the water supply situation, the Committee was brought up to date on such matters as (1) the effect of eliminating the Colorado River dams and inclusion of the pre-purchase arrangement as a means of obtaining pumping power and energy for the Central Arizona Project, (2) the latest cost estimates for all the projects, (3) the financial analysis of the Central Arizona Project and information on the development fund with the dams eliminated from the plan, and (4) the Department's latest thinking with respect to studies for augmentation of the Colorado River water supply.

Prior to the scheduling of the January hearings, continuing negotiations among the Colorado River Basin States and the changed position of the Administration had led to a general understanding that no Colorado River mainstream dams should be included in the development plan at this time.

After the completion of hearings with Secretary Udall, the Subcommittee spent five days in executive consideration and mark-up of the legislation, and the Full Committee consumed three additional days in developing the final version of the legislation which it then approved and ordered reported. Thus, the consideration this year adds another eleven days to the 33 days which the Committee had already devoted to the legislation in previous years. The Committee has given more time and more study to this legislation than to any other legislative matter that it has considered in recent years.

VI. COLORADO RIVER WATER SUPPLY

HISTORICAL CONTROVERSY

So far as the history of modern civilization is concerned, the record is full of controversies over the water supply of various river systems. It is doubtful that any other river system in the world—and certainly no other river in the western hemisphere—has been the subject of so many disputes of such wide scope during the last half century as the Colorado River of the southwest. These controversies over one of humanity's most basic resources have permeated the political, social, economic, legal, and engineering facets of the society of the seven Colorado River Basin States individually and collectively because they have involved both intrastate and interstate differences. The Committee believes that the underlying fundamental cause of the many lawsuits and interbasin and interstate compacts is deeply rooted in the well-established fact that the water supplies available are severely limited in proportion to the other natural resources of the seven basin States and the continuing expansion of demands for those supplies.

The imbalance between water resources and other natural resources has reached an acute stage as the result of at least four major factors. First, the increasing population of the Nation has created greater demands for water. Second, the rising standard of living and new inventions and processes related thereto have created new demands.

Third, the westward migration of hundreds of thousands of citizens seeking new opportunities for homes and jobs have shifted the point of impact of demands for water. Fourth, and perhaps of most importance, the negotiators of the Colorado River Compact and the interstate Upper Colorado River Basin Compact apportioned a water resource that, at the time of the negotiations, appeared much larger than the River has subsequently yielded.

During 1953-56, the Committee had under consideration legislation to authorize the Colorado River Storage Project in the Upper Colorado River Basin. A large part of the opposition to that legislation was based upon arguments over the availability of water. The Storage Project legislation was approved by the Committee without real concern over the water supply because a large portion of the consumptive use of water apportioned by the Colorado River Compact to the Upper Basin was still available in 1956. Furthermore, the storage units and participating projects authorized in the Colorado River Storage Project Act brought the total consumptive use of water in the Upper Basin to less than 50 percent of its total compact apportionment.

As noted in Part V of this report, the Committee held hearings and considered, beginning in the autumn of 1964, several different versions of proposed bills to authorize a Central Arizona Project, a Pacific Southwest water plan, a Lower Colorado River Basin Project, or a Colorado River Basin Project. The subject legislation, H.R. 3300, as amended, is the culmination of these Committee efforts. As the aforementioned hearings progressed, it became apparent to the Committee, through expressions of interest by representatives of the Basin States and the Upper Colorado River Commission, that the most important issue involved in proposals for further development of the water resources in the Colorado River Basin is the availability of water. The Committee is aware of the fact that the development of water resources of this Basin has reached the stage where the last increments of the available supply are being considered for utilization.

The Committee has had to weigh carefully indisputable evidence of the fact that the over-all water problems of the Basin are of a more precarious nature in 1968 than they were 15 years ago. In the 1950's, the Upper Basin States were consuming only 2 to 2½ million acre-feet of water per year contrasted with 4.6 million acre-feet that are, or will be, consumed by presently constructed and authorized projects; therefore, the amount of water remaining to be consumptively used today is much less than it was in the 1950's. Also, in the last 34 years—and especially during the last 16 years—the trend of the dependable yield of the River has been consistently downward and the return to a period of high river flows has not materialized as predicted and, because of this, some people believe that earlier and less scientifically determined yields of the river may have been grossly over-estimated. Consequently, the risks of over development of the water, or of over-estimating the supply and causing serious injury to existing and potential economies have been compounded in the absence of an effectuated and reasonably certain economic and feasible river augmentation program.

FLOWS OF THE COLORADO RIVER

The most universally used index of the basin's water yield is the "virgin" or "estimated undepleted" flow of the Colorado River at Lee Ferry, Arizona. Annual flows vary widely. Figure 1 indicates that the virgin flow at Lee Ferry has ranged between about 5.6 and 24 million acre-feet per annum since 1896—the long-term average (including 1967) being about 14.8 million acre-feet.¹ Since 1933—a period of 34 years—the progressive 10-year average virgin flow line has remained below the long-term average virgin flow.²

In 1922, when the Colorado River Compact was negotiated, the available records indicated there was sufficient water to furnish the 16 million acre-feet apportioned to the Upper and Lower Basins and, in addition, furnish, from surplus, water that might later be needed for fulfilling any agreement with Mexico. Figure 2 shows that by 1967, this long-term average had dropped to 14.8 million acre-feet. As the basis for the interstate compact, the Upper Colorado River Basin Compact Commissioners used the 1914–45 streamflow records,³ the average for the 1914–45 period being estimated at 15.6 million acre-feet per year. For the period beginning at the time of negotiation of the Colorado River compact, 1922–67, the average virgin flow has been only 13.7 million acre-feet.⁴ For the 38 years, 1930–67, the average annual virgin

¹ Streamflow records for Lee Ferry prior to 1921 are regarded by some as lacking considerably in reliability when compared to records subsequent to 1921.

² The progressive 10-year average virgin flow at Lee Ferry is of paramount importance because it is a criterion for measurement of water deliveries by the Upper Basin to the Lower Basin under the Colorado River Compact.

³ Records prior to 1914 were dropped by these compact commissioners because of their lack of reliability.

⁴ In H. Rept. No. 1849 of the 89th Cong., second sess., on H.R. 4671 average flows are recorded for periods ending in 1964. It should be noted that for the periods terminating in 1967 all averages have further declined.

COLORADO RIVER FLOW AT LEE FERRY, ARIZONA

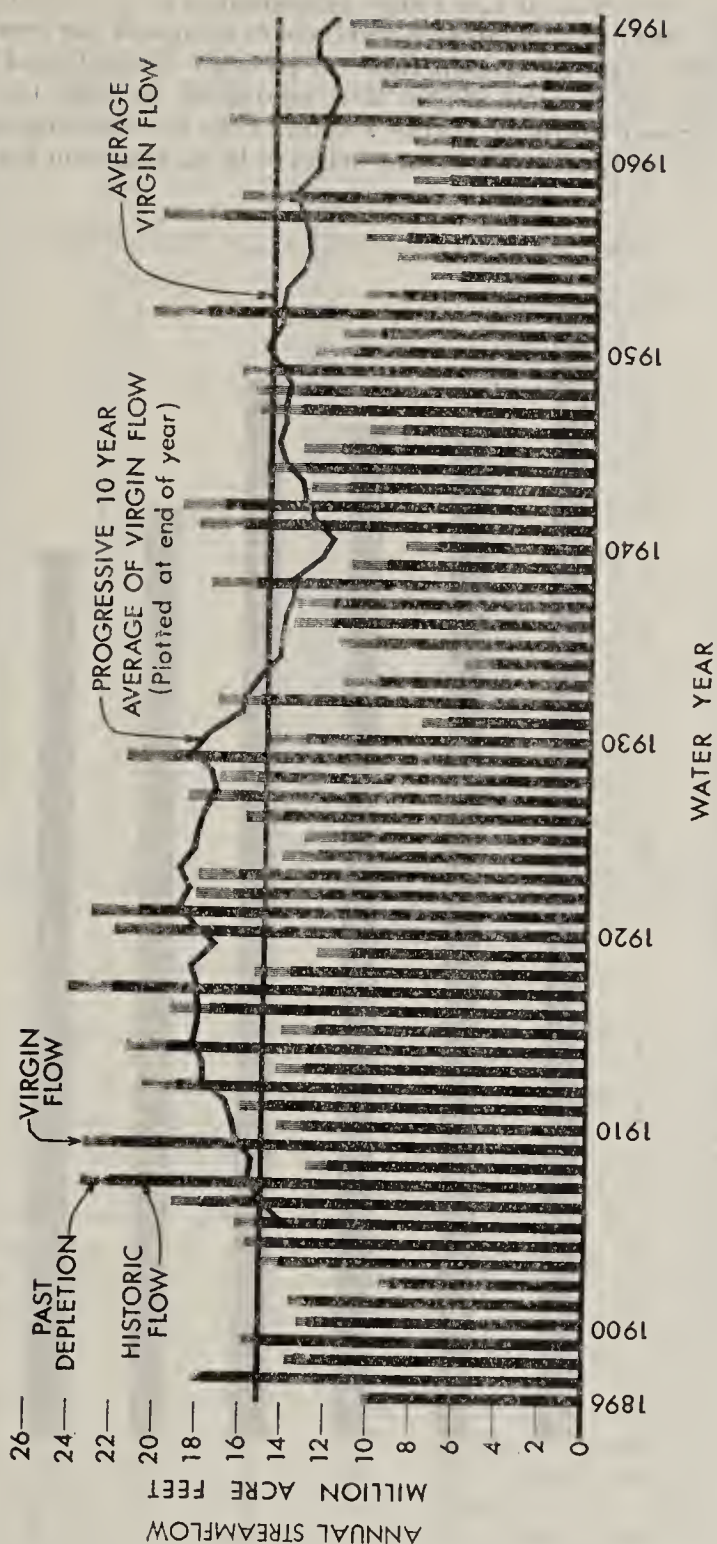


FIGURE 1.—Colorado River flow at Lee Ferry, Arizona.

yield of the river at Lee Ferry amounted to only 13 million acre-feet of water. During this latter period, there occurred the two lowest 10 consecutive years of stream flow on record—1931–40 and 1954–63 when the average annual virgin flow amounted to only 11.8 million acre-feet. (See Figure 2). Table I shows that the running average for the last 10 years, 1958–67, amounted to only 12.1 million acre-feet.

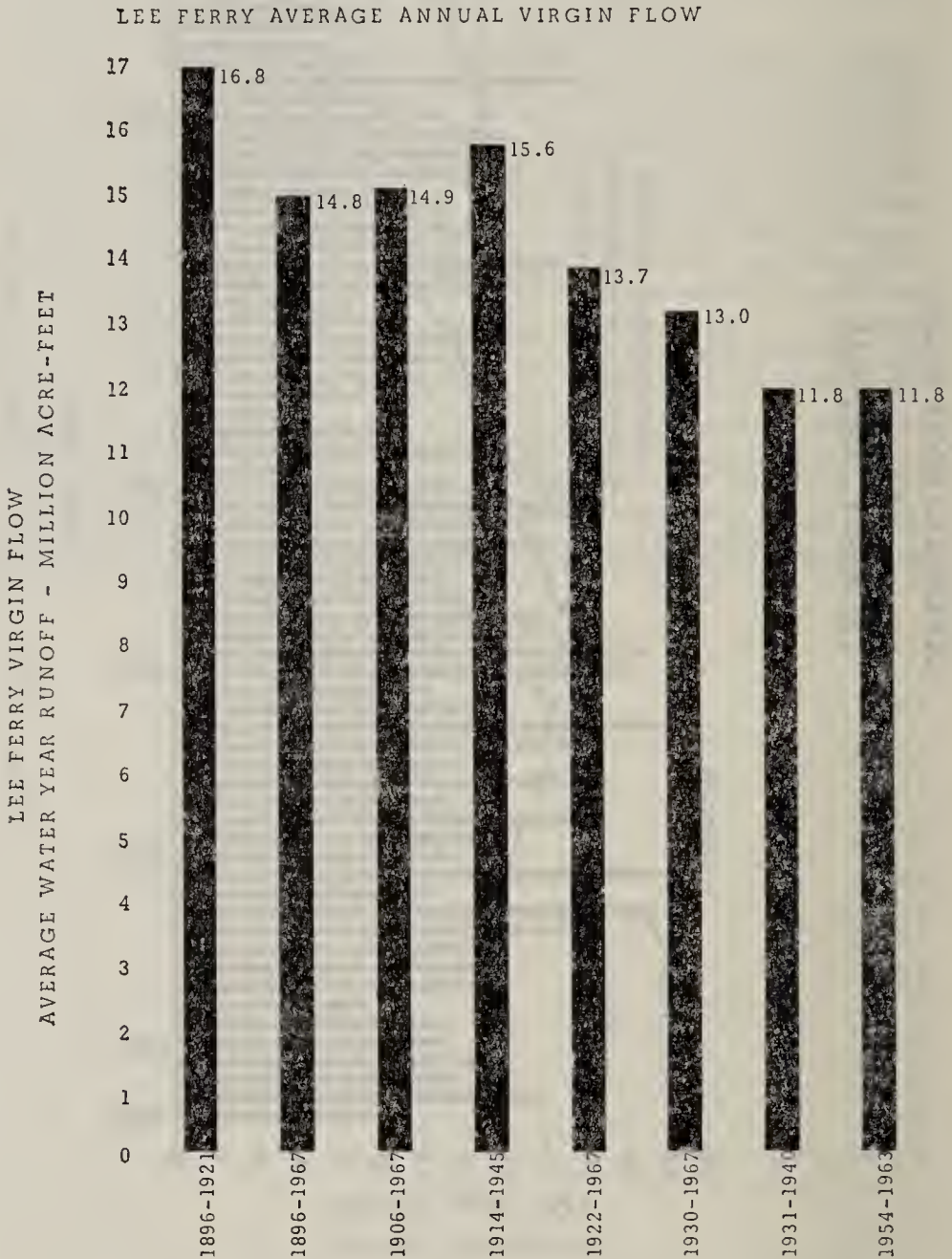


FIGURE 2.—Selected periods—water years.

TABLE I.—ESTIMATED VIRGIN FLOWS AT LEE FERRY¹

[In millions of acre-feet]

Water year ending Sept. 30	Estimated virgin flow	Average including 1967	10-year running average	Water year ending Sept. 30	Estimated virgin flow	Average including 1967	10-year running average
1896.....	10.1	14.8	-----	1932.....	17.2	13.1	15.9
1897.....	18.0	14.9	-----	1933.....	11.4	13.0	15.2
1898.....	13.8	14.8	-----	1934.....	5.6	13.0	14.3
1899.....	15.9	14.9	-----	1935.....	11.5	13.3	14.2
1900.....	13.2	14.8	-----	1936.....	13.8	13.3	14.0
1901.....	13.6	14.9	-----	1937.....	13.7	13.3	13.5
1902.....	9.4	14.9	-----	1938.....	17.5	13.3	13.5
1903.....	14.8	15.0	-----	1939.....	11.1	13.1	12.5
1904.....	15.6	15.0	-----	1940.....	8.6	13.2	11.8
1905.....	16.0	15.0	14.0	1941.....	18.1	13.4	12.8
1906.....	19.1	14.9	14.9	1942.....	19.1	13.2	13.0
1907.....	23.4	14.9	15.5	1943.....	13.1	13.0	13.2
1908.....	12.9	14.7	15.4	1944.....	15.2	13.0	14.2
1909.....	23.3	14.8	16.1	1945.....	13.4	12.9	14.4
1910.....	14.2	14.6	16.2	1946.....	10.4	12.9	14.0
1911.....	16.0	14.6	16.5	1947.....	15.5	13.0	14.2
1912.....	20.5	14.6	17.6	1948.....	15.6	12.8	14.0
1913.....	14.5	14.5	17.6	1949.....	16.4	12.7	14.5
1914.....	21.2	14.5	18.1	1950.....	12.9	12.5	15.0
1915.....	14.0	14.4	17.9	1951.....	11.6	12.5	14.3
1916.....	19.2	14.4	17.9	1952.....	20.7	12.5	14.5
1917.....	24.0	14.3	18.0	1953.....	10.6	12.0	14.2
1918.....	15.3	14.1	18.2	1954.....	7.7	12.1	13.5
1919.....	12.5	14.1	17.1	1955.....	9.2	12.4	13.1
1920.....	22.0	14.1	17.9	1956.....	10.7	12.7	13.1
1921.....	23.0	13.9	18.6	1957.....	20.1	12.9	13.5
1922.....	18.3	13.7	18.4	1958.....	16.5	12.1	13.6
1923.....	18.3	13.6	18.8	1959.....	8.6	11.7	12.9
1924.....	14.2	13.5	18.1	1960.....	11.3	12.0	12.7
1925.....	13.0	13.5	18.0	1961.....	8.5	12.1	12.4
1926.....	15.9	13.5	17.6	1962.....	17.3	12.7	12.1
1927.....	18.6	13.5	17.1	1963.....	8.5	11.8	11.8
1928.....	17.3	13.3	17.3	1964.....	10.2	12.7	12.1
1929.....	21.4	13.2	18.2	1965.....	18.7	13.5	13.0
1930.....	14.9	13.0	17.5	1966.....	10.8	10.9	13.1
1931.....	7.8	13.0	16.0	1967.....	11.0	11.0	12.1

¹ Col. 2 shows the estimated virgin runoff at Lee Ferry for the year indicated in col. 1. Col. 3 shows the average virgin runoff from the year indicated in col. 1 through 1967. Col. 4 shows the progressive 10-year running average virgin flow through the year indicated in col. 1.

ESTIMATED WATER AVAILABILITY

Over the many years that it has been considering legislation involving the Colorado River, the Committee has received testimony indicating wide differences of opinion with regard to the quantity and dependability of the water resource actually available for consumptive use. The Committee has concluded that some of those differences are due to the inability of engineers to agree upon the basic data to be incorporated in their studies. For example, from figure 2 it is evident that the average virgin flow at Lee Ferry can be given as a figure anywhere between about 12 and 17 million acre-feet, depending upon the recorded period selected. Other differences among engineers have resulted from interpretations of the basic data or the bias in judgment relative to the objective of the studies made. The Committee has recognized the difficulty and the importance of selecting the most proper and reliable evidence upon which to base its judgment and conclusions.

It became apparent to the Committee, even before the hearings on predecessor legislation, H.R. 4671 of the 89th Congress, that the most important issue involved in proposals for further development in the Colorado River Basin is the availability of water. For this reason, the Committee, in its desire to ascertain as wide a range of facts and

opinion as possible, requested the Governor of each of the seven Basin States and the Secretary of the Interior to state for the record his position on the physical availability of water for the Central Arizona Project, taking into consideration such relevant factors as present uses of water in the Upper Basin, the filling of Upper Basin reservoirs, and ultimate consumptive uses of water by the Upper Basin.

In response to the request by the Committee, three detailed analyses of the water supply were received prior to the hearings on H.R. 4671 in 1965 and 1966. These analyses were prepared by engineers of the Bureau of Reclamation, by engineers of the States of Arizona and California, and by the engineering firm of Tipton and Kalmbach, Inc. under the auspices of the Upper Colorado River Commission. These three studies were based upon different assumptions of net channel and evaporation losses, rates of future increase of Upper Basin stream depletions, and, in some instances, the periods of stream flow records employed. The studies of the Upper Colorado River Commission incorporated many combinations of these factors. The most significant result of these three analyses was the close agreement indicated with respect to the water supply remaining available for development in the basin and for the Central Arizona Project in particular. The differences in the final results of the three studies are related primarily to the expected time when utilization of the entire water resource of the basin will be accomplished.⁵

Notwithstanding the general agreement on physical data on water supply, it became evident during the 1967 Committee hearings that confusion persisted in the minds of some Committee Members over the disagreement on the water supply that would be available for a Central Arizona Project. For this reason, the Chairman, on December 29, 1967, directed another letter to the Secretary of the Interior requesting additional information on the water available from the Colorado River with special emphasis on (1) the effect of assumptions of different periods of stream flow records used in river operation studies, (2) the use of Upper Basin reservoir water spills as part of the supply for the Central Arizona project, and (3) different rates of Upper Basin stream depletions. These factors, as related to water supply, were the subject of testimony before the Committee earlier this year by the Secretary of the Interior and representatives of the Bureau of Reclamation. The studies by the Bureau of Reclamation were based upon the water supply records for the period 1906-67 with an average virgin flow of 14.9 million acre-feet. See figure 2. During the hearings it was evident that some Members of the Committee, due to the inherent risks involved in the possibility of over-estimating the water supply, held strong reservations concerning the inclusion of water records of questionable validity for the years prior to 1922 when direct water measurements were begun at Lee Ferry. It was also revealed that the Bureau's assumptions of future stream depletions in the Upper Basin were considerably less in both rate and quantity than those agreed to by the Upper Basin States. The Bureau also assumed in its operation studies that California would be given a first priority in the Lower Basin for 4.4 million acre-feet of water and that the Central Arizona Project aqueduct would be limited to a capacity of

⁵ Summaries of results of these three water supply studies appear on p. 33, of House Report No. 1849 on H.R. 4671 of the 89th Cong., second sess.

2500 cubic feet of water per second, and, in these respects, the assumptions are consistent with the legislation approved by the Committee.

Some of the most pertinent information developed from the Secretary's testimony and the detailed operation studies furnished at the request of the Committee includes the following:

Basically, the Colorado River water supply for the Central Arizona Project will come from two sources: (1) regulated releases from Glen Canyon Dam and (2) spills from Glen Canyon Dam into the Lower Basin. * * * the breakdown of the estimated CAP water supply from these two sources is as follows:

[In thousands of acre-feet] ¹				
Source	1975	1990	2000	2030
Regulated release.....	1,650	1,020	730	284
Upper basin spills.....	0	235	296	392
Total.....	1,650	1,255	1,026	676

¹ With aqueduct capacity of 2,500 cubic feet per second.

The Committee understands that, absent a supplemental supply of water from other sources, beginning about year 1975, the Bureau of Reclamation anticipates that a part of the CAP water supply will come from reservoir spills from the Upper Basin, and that under the 2030 conditions assumed by the Bureau about 60 percent of the one-half water supply that will be available will have to be derived from spills from full Upper Basin reservoirs. The Committee is also aware of the fact that the estimated spills are averages over the period 1906-65, that the actual spills would be limited to a few years and dependent upon repeat of the 1911-1929 flows, and that if the run-off period 1922-67 were used as the basis of analysis there would be no spills of water available from the Upper Basin and the entire water supply for the Central Arizona Project would have to come from regulated releases at Glen Canyon Dam.

THE COMMITTEE'S CONCLUSIONS ON WATER SUPPLY

1. The Committee believes that the results of studies submitted in testimony on H.R. 3300, and H.R. 4671 of the 89th Congress, reveal the water supply situation of the Colorado River Basin in proper perspective, and that they clearly demonstrate the limitations of the water resource as accurately as possible. These analyses, having utilized more refined techniques than those employed in the past, are probably more indicative of water availability than are earlier studies.

2. All of the studies indicate the presence of a serious water deficiency in the Lower Basin of the Colorado River; in fact, they show that a real crisis is being faced by Arizona, southern California, and Nevada. Even in the Upper Basin the remaining Colorado River water is fast being exhausted as development goes forward.

3. All of the studies show conclusively that any large increase in use of water in the Lower Basin must, even now, be supplied in part from water apportioned by the Colorado River Compact to the Upper Basin States but presently unused by them. As the Upper Basin

States progress with their development, the amount of unused water will diminish until ultimately no surplus Upper Basin water will be available for use in the Lower Basin.

4. Based upon the studies that have been examined by the Committee and its staff, the Committee believes that 1,200,000 acre-feet can reasonably be expected for the Central Arizona Project until some time during the decade 1985–1995, after which time, due to the priority granted to California by this legislation and as a consequence of the increasing consumption of water in the Upper Basin, the supply will diminish unless augmented from other sources.

5. The basic assumptions of the Department of the Interior with regard to virgin runoff, rate of increase and ultimate magnitude of Upper Basin stream depletion, and magnitude of future net losses along the Lower Colorado River are matters of judgment and, in the future, the Department's reliance on the assumptions used in its analyses shall in no manner jeopardize the consumptive use of water within compact apportionments in other areas of the Colorado River Basin.

6. On the basis of the water supply analyses furnished to the Committee and the testimony presented on H.R. 3300 and predecessor related legislation, the Committee has determined that the water supply of the Colorado River will neither be sufficient to meet future requirements of the areas dependent upon it, nor to meet apportionments of the consumptive use of water made by the Colorado River Compact to the Upper and Lower Basins plus the delivery of water to Mexico as required by international treaty. It is inevitable that water requirements will exceed the supply. This condition will occur with or without a Central Arizona Project. It is estimated that the amount of new water necessary to meet the Mexican Treaty requirements and the aforementioned apportionments in the Lower Basin alone ultimately will be between 2 million and 2.5 million acre-feet.

7. In order to prevent retrogression of the economy of the Colorado River Basin as its water resource diminishes, the Committee concludes that all means of increasing the water supply—such as reductions in water losses, water conservation practices, desalination, weather modification, importation of water from outside the drainage basin of the Colorado River—should be investigated and thoroughly studied as soon as possible.

8. The Committee has concluded that the most urgent and fundamental water resource issue before the Congress involves an initiation of plans and procedures pertaining to the resolution of the water supply deficiency of the entire Colorado River Basin as defined in the Colorado River Compact. The Committee is convinced that enactment and implementation of Title II in the form it has been approved will be a constructive step in the right direction.

9. Notwithstanding the anticipated water shortage on the Colorado River, if there is no augmentation, the committee finds that the Central Arizona Project is feasible with the presently known water supply. The importation of Colorado River water into central Arizona will reduce the need for groundwater, thus reducing the rate of decline of the water table. During periods of shortage on the Colorado River, diversions to central Arizona can be reduced and the groundwater can be again pumped into the irrigation and domestic supply systems.

VII. NEED FOR AUGMENTATION AND FOR WESTWIDE WATER STUDIES

The present and anticipated water supply situation in the Colorado River Basin described in Part VI of this report shows conclusively that a serious water deficiency already exists in the Lower Basin of the Colorado River and that, as this imbalance between requirements and availability continues to grow, the water situation throughout the entire basin will become more and more critical. There is no reasonable chance that the Colorado River will supply enough water to meet the demands of the area which relies upon it. The water supply situation, combined with the fact that there is insufficient water in the Colorado River to furnish the amounts specified in compacts, contracts, the Mexican Water Treaty, and the Supreme Court decree in *Arizona v. California*, means continued controversy accompanied by economic stagnation unless there is augmentation of the water supplies available from the river. There can be no lasting solution to the water problems and disputes of the states of the Colorado River Basin without the addition of more water.

The data presented in Part VI indicate that water operations on the Colorado River under the provisions of this Act will provide a long-term firm water supply for the Central Arizona Project of only 284,000 acre-feet annually compared to a planned average annual water supply of 1,200,000 acre-feet and that even this limited supply assumes that the Upper Basin States will furnish one-half the Mexican Treaty water. Thus, responsible water planning and management make it imperative that authorization of the Central Arizona Project be accompanied by the immediate initiation of meaningful studies to find new sources of water. To do otherwise would constitute a disservice to the State of Arizona and the Nation because it would raise false hopes in Arizona while jeopardizing future water development in Upper Basin States. The need for augmentation is beyond reasonable dispute. The only legitimate areas for difference of opinion lie in how and when this augmentation must be accomplished.

How the river should be augmented cannot be answered with confidence until the studies of all alternatives called for in the legislation have been completed. The experts who testified before the Committee on water supply and growth of requirements for water in the area served from the Colorado agreed that augmentation could be required as early as 1980 and that failure to provide additional water in the mid-1980's would seriously impede development in the Pacific Southwest. Experience has shown that 15 to 25 years are required to plan, authorize, design, and construct a major water project. Hence, studies of alternative means of augmenting the Colorado River must be initiated immediately if the future growth and economy of the Colorado River Basin and the Pacific Southwest is to be assured and decisions concerning augmentation are to be made with full knowledge of all alternatives. Considering the potential lead time needed to develop some of the alternatives, the studies must be completed and the facts must be before the Congress by not later than the mid-1970's. Under these circumstances, deferral of the studies would represent procrastination, and could result in decisions under crisis conditions rather than on the basis of orderly procedures.

The most pressing need is for an amount of new water necessary in order to satisfy the Mexican Treaty water requirements and the annual consumptive use of 7.5 million acre feet in the States of Arizona, California, and Nevada. This amount has been estimated by water experts to be ultimately between 2 million and 2.5 million acre-feet, depending on assumptions with respect to Lower Basin inflows, evaporation losses, and other water losses between Glen Canyon Dam and the Mexican border.

It is this most pressing need which is the basis for the provision in this legislation calling for preparation of a feasibility report on the most economic means of augmenting the water supply of the Colorado River by 2.5 million acre feet, with a January 1975 deadline for submission of such report to the Congress.

The other studies and investigations would be only in such detail as to permit the preparation of reconnaissance reports. All of the studies and investigations taken together are directed toward development of a regional water plan to serve as the framework for coordinated, future development throughout the entire Colorado River Basin.

As indicated hereinbefore, the Committee's approval of the Central Arizona Project is tied to immediate initiation of meaningful augmentation studies. This committee position stems from the fact that the states of the Colorado River Basin reached a consensus that they would not object to development that overcommits the river's limited resources before long-range augmentation studies are completed, provided studies of alternative means of augmenting the Colorado are conducted concurrently. To maintain the consensus, meaningful studies of all alternatives must be carried out on a strict timetable to provide assurance against the certain need in the future to apportion shortages from an overcommitted supply in the event nothing is done to augment the natural supply. The Lower Basin now relies in part upon the availability of unused water supplies apportioned to the Upper Basin by the Colorado River Compact. The slower developing states of the Upper Basin consider the studies under Title II as a meaningful step toward augmentation and as further assurance that they will be able to utilize fully their entitlements when the need arises.

The Committee has been disappointed that study provisions set out in Title II could not be made acceptable to the Pacific Northwest States. Every attempt was made to do so. However, those representing the Northwest continued to insist that only complete elimination of Title II would be acceptable. The Committee feels that the provision it adopted, prohibiting the Secretary from recommending importation unless the affected states approve, guarantees to the Northwest States and other areas of potential surplus that the position they take after the facts are known will carry great weight with respect to any decision on importation.

The minority opposition to the inclusion of augmentation studies in the legislation argues that the only way to assure objectivity is to place the entire matter before an independent National Water Commission authorized under separate legislation. Furthermore, the Northwest States request time to complete their inbasin and state water planning studies before initiation of interbasin studies. The Committee understands that these State studies as well as the Federal-State Type I Comprehensive Framework Studies are scheduled to be completed by 1971. Thus, the augmentation studies provided for in this

bill, scheduled for completion in the mid-1970's, allow full opportunity for consideration of the results of current state and Federal studies.

The Committee, in 1967, approved legislation to create a National Water Commission. Favorable action was achieved on the floor of the House. Previously the Senate had passed a similar measure. Final approval awaits resolution of the differences between the House and Senate versions.

Even so, the Committee believes that there is some confusion as to the purposes of the Commission. Certainly a small, temporary, "blue-ribbon" National Water Commission, created to deal with policy matters, should not be asked to manage and direct comprehensive studies of means of augmenting the Colorado River any more than it should be asked to manage and direct studies intent on solving the water and pollution problems of the Great Lakes, supplying the long-range water requirements of the high plains of Texas, or the almost endless quantity and quality problems which stretch from one end of the country to the other. In the words of the President, the Commission would—

* * * review and advise on the entire range of water resource problems * * * It will judge the quality of our present efforts. It will recommend long-range plans for the future. * * *

To accomplish objectives of this nature, only the broadest strokes can be taken. Therein lies the value of such a commission, not in managing and directing specific regional studies.

The Committee feels that water problems throughout the country, including the Colorado River Basin, are so urgent that studies should proceed concurrently with the policy review of the National Water Commission, assuming it is established. In the case of the Colorado, the timetable will enable the Congress to appraise the results of the augmentation studies in light of the National Water Commission's recommendations, as the feasibility-level Colorado River report is not due until January 1, 1975.

In order to guard against deterioration of the economy of the Southwest when its water supply becomes completely developed and used, the Committee concludes that studies of all alternative ways of supplying water—such as reductions in water losses, water conservation practices, desalting, weather modification, interbasin water transfers, and other means—must be undertaken without delay. The Committee believes that enactment and implementation of Title II in the form which has been approved—including the protection afforded to the areas of origin and the veto powers given to the states involved before a recommendation can be forwarded to the Congress—will not only meet the urgent needs for objective investigations and studies essential to the future of the Colorado River Basin, but will provide also positive protection and benefits to other areas of the West as well.

VIII. THE MEXICAN WATER TREATY—A NATIONAL OBLIGATION

During the hearings on H.R. 4671 of the 89th Congress in 1965–66 and on H.R. 3300 in 1967–68, the Committee heard detailed testimony relating to the effects of fulfilling the United States' obligation under

the Mexican Water Treaty (Treaty Series 994 (59 Stat. 1219)) from the water supply of the Colorado River system. From this testimony the Committee concluded that performance of this war-time Treaty (signed in 1944) adds to a water shortage on the Colorado River which will frustrate the interstate apportionment made by Congress in the 1928 Boulder Canyon Project Act, as well as the inter-basin apportionment made by the Colorado River Compact.

Fulfillment of the Treaty obligation with water apportioned to the States rather than from surplus as anticipated when the Treaty was negotiated means not only a water-short river and resulting economic stagnation, but also continued dispute over sharing of shortages among all the States and dispute between the States of the Upper and Lower Basins over accounting of consumptive uses of water from the Gila River in Arizona when computing amounts of water that may have to be supplied by the basin States to fill deficiencies in deliveries of water to Mexico in water-short years. The answer provided in H.R. 3300 is to direct the Secretary to investigate means of augmenting the river and to recognize satisfaction of the requirements of the Treaty as a national obligation (Sec. 202), telling him to treat as nonreimbursable the cost of the augmentation works required to offset the Treaty burden (Sec. 401), provided, of course, that such works are found to be feasible and are authorized by the Congress. The Secretary of the Interior and the Bureau of the Budget have approved this principle.

The Secretary reported to this Committee May 17, 1965, on H.R. 4671 (Hearings on H.R. 4671, 89th Cong., p. 12) :

An alternative approach, of course, to assure the maintenance of main stream prices for not to exceed 1,500,000 acre-feet of imported water per annum would be to retain the non-reimbursable allocation, now provided for in section 402, to replenishment of deficiencies in main stream water occasioned by Mexican Treaty deliveries, with the limitation that the nonreimbursable costs be limited to those associated with the importation of not to exceed 1,500,000 acre-feet for replenishment purposes. In the Bureau of the Budget's view this alternative, too, would be applicable if the Congress considered the Lower Colorado River situation unique.

The Bureau of the Budget had reported to the Senate Committee on Interior and Insular Affairs on May 10, 1965 on S. 1019, 89th Cong., (reprinted in Hearings, House Committee on Interior and Insular Affairs, on H.R. 4671, 89th Cong., p. 17) :

The Bureau does recognize, however, that one of the important demands on the river is to provide water necessary to meet commitments made by the U.S. Government to the Republic of Mexico in the treaty of 1944. Should the Congress decide that the situation is unique, we believe that the price guarantee should be further limited to not more than 1.5 million acre-feet of water annually, the amount required to meet the U.S. treaty obligation. With this proviso, the chances would appear minimal, based on Department of the Interior estimates, that any imported water would have to carry a price higher than main stream water—at least in the period through year 2030.

The United States Department of Justice properly conceded, in its proposed findings and conclusions submitted to the United States Supreme Court's Special Master in *Arizona v. California* (p. 47) :

IF SUCH SHORTAGE SHOULD OCCUR, IT WOULD BE BY REASON OF
THE MEXICAN TREATY OBLIGATION

The above caption restates the second point of our Proposed Conclusion 11.15. We think argument is not necessary to support it.

Like all treaties, the Mexican Water Treaty is, of course, a national obligation, and H.R. 3300 so states, but the Committee believes the circumstances back of this particular treaty would make it a particular injustice to impose the Treaty's financial consequences on the Colorado Basin States alone.

The facts are these:

1. THE COMPACT

The prospect of a treaty with Mexico over the waters of the Colorado River was ever present in the Colorado River Compact negotiations. The significant factor from the beginning of the negotiations was the assumption by everyone concerned that the Colorado River flow was adequate to provide the Upper and Lower Basin allocations as well as a substantial allocation of water to Mexico. For example, in 1923, following the execution of the Compact, Mr. Herbert Hoover, then Chairman of the Colorado River Commission, assured Congressman Hayden that the water rights of the Lower Basin and Arizona were not endangered by the possibilities of a treaty with Mexico, as indicated in the following exchange:

Question 10. What is the estimated quantity of water which constitutes the undivided *surplus* of the annual flow of the Colorado River and may the compact be construed to mean that no part of this surplus can be beneficially used or consumed in either the upper or the lower basins until 1963, so that the entire quantity above the apportionment must flow into Mexico, where it may be used for irrigation and thus create a prior right to water which the United States would be bound to recognize at the end of the 40-year period?

(a) *The unapportioned surplus is estimated at from 4,000,000 to 6,000,000 acre-feet, but may be taken as approximately 5,000,000 acre-feet.*

(b) The right to the use of unapportioned or surplus water is not covered by the compact. The question cannot arise until all the waters apportioned are appropriated and used, and this will not be until after the lapse of a long period of time, perhaps 75 years. Assuming that each basin should reach the limit of its allotment and there should still be water unapportioned, in my opinion, such water could be taken and used in either basin under the ordinary rules governing appropriations, and such appropriations would doubtless receive formal recognition by the commission at the end of the 40-year period. There is certainly nothing in the compact which requires any water whatever to run unused to Mexico, or which recognizes any Mexican rights, the only reference to that situation being

the expression of the realization that some such rights may perhaps in the future be established by treaty. As I understand the matter, the United States is not "bound to recognize" any such rights of a foreign country unless based upon treaty stipulations.

The views expressed by Herbert Hoover were concurred in by Arizona's Colorado River Commissioner, W. S. Norviel, in his report wherein he stated :

As a matter of comity, the United States may, and probably will, enter into a treaty with Mexico regarding irrigation water, *but certainly not to the extent of granting rights to water needed for irrigation in the United States.*

The Honorable Delph E. Carpenter, Commissioner for the State of Colorado, reported on the same subject in December of 1922, and attached to his report a table showing an unallotted surplus of 4,500,000 acre-feet.

Similar views were expressed by the Honorable R. E. Caldwell, Commissioner for the State of Utah, in his observations wherein he stated :

* * * The reconstructed Colorado River would have an average annual flow of from 20,000,000 to 22,000,000 acre-feet,

* * * Assuming that the reconstructed river has 22,000,000 acre-feet in it, the compact has left for future allocation after 40 years, 6,000,000 acre-feet of water if either the Upper Basin or the Lower Basin has wholly beneficially consumed its allocation. * * *

These and many other contemporaneous statements clearly indicate that no knowledgeable representatives of the states or the Federal Government believed that the Compact allocations to each basin totalling 16 million acre-feet would ever in the foreseeable future be curtailed in order to serve some future treaty with the Republic of Mexico. It was in this atmosphere and with this understanding that the following provision was included in the Colorado River Compact :

(c) If, as a matter of international comity, the United States of America shall hereafter recognize in the United States of Mexico any right to the use of any waters of the Colorado River System, such waters shall be supplied first from the waters which are surplus over and above the aggregate of the quantities specified in paragraphs (a) and (b) ; and, if such surplus shall prove insufficient for this purpose, then the burden of such deficiency shall be equally borne by the Upper Basin and the Lower Basin, and whenever necessary the States of the Upper Division shall deliver at Lee Ferry water to supply one-half of the deficiency so recognized in addition to that provided in paragraph (d).

2. THE PROJECT ACT (45 STAT. 1057)

In 1928 the Boulder Canyon Project Act stipulated in Section 1 that the waters stored in Hoover Dam should be dedicated to "beneficial uses *exclusively* within the United States." The Congress, in

the same Act, granted the consent of Congress to the Colorado River Compact (Sec. 13) and directed (Sec. 8a) that the United States and all of its water users should be controlled by that Compact.

The Congress proceeded on the assumption that the water supply was substantially more than 18 million acre feet, and therefore there were at least 2 million acre feet of "surplus" to satisfy Mexico above the 16 million acre feet of consumptive use allocated by the Compact (7.5 million to the Upper Basin, per Article III(a), and 8.5 million to the Lower Basin, per Articles III (a) and (b)).

Accordingly, Congress in Section 4(a) directed the allocation of 7.5 million acre feet of the water apportioned to the Lower Basin, 4.4 million to California, 2.8 million to Arizona, 300,000 to Nevada, and directed that the "excess" above that quantity (the million referred to in Article III(b) plus the "surplus" above 8.5 million) should be equally divided between Arizona and California.

3. THE MEXICAN WATER TREATY, AND ITS MISTAKEN WATER SUPPLY ASSUMPTION

In 1941, in wartime, the State Department undertook negotiations with Mexico for a treaty to encompass the Rio Grande (where most of the water originates in Mexico but is largely used in the United States), and the Colorado (where all the water originates and is stored and conserved in the United States; Mexico contributes no water and has no sites for storage dams).

The desire on the part of Mexico to consider the Rio Grande and Colorado River together is readily understandable from Mexico's point of view. So far as the Rio Grande was concerned, the United States needed the consent of Mexico in order to regulate this river by reservoirs because of the common boundary and past agreements with respect to navigation. The United States had reached its practical limits of water development without river regulation. The United States development was subject to the risks of flood damage and needed protection. Mexican streams furnished most of the water for the Rio Grande below Fort Quitman, Texas. Mexico could control the tributaries in Mexico and put their water to use. Increased Mexican uses of water could damage the United States water users. In other words, Mexico was in the control position so far as the Rio Grande was concerned.

For Mexico the Colorado River presented a different picture. The water supply for Mexico came entirely from the United States. The negotiators on the Colorado River were confronted with a completed Hoover Dam. Releases of water for power production resulted in a well-regulated flow below Hoover Dam. In the 1930's and early 1940's the water users in the United States could not absorb the water released at Hoover Dam. Thus, a large quantity of water was spilling to Mexico. Mexico was in a position to use this water, and wanted to establish its rights by Treaty before development in the United States made it unavailable. Thus, there is a sound basis for concluding that the treaty was a trade of Colorado River water to Mexico for Rio Grande water for lands in Texas. This conclusion is supported by recently released diplomatic correspondence by the State Department.

With respect to the Colorado River, both nations negotiated on mistaken estimates of the water supply. Mexico asserted that the avail-

able supply was 18,400,000 acre-feet annually, and "this means a surplus of 2,400,000 acre-feet annually, which amount could be allowed to Mexico without injury to its northern neighbor" (VI. "Foreign Relations of the United States, Diplomatic Papers 1942," p. 550; published by the State Department in 1963).

The State Department replied (*id.*, p. 561) :

Based upon the best data presently available, the total virgin flow of the river is estimated at 18,000,000 acre-feet per annum on the average, leaving an estimated average quantity of 2,000,000 acre-feet per year to take care of reservoir losses and for future allocations in the United States. This water can all be beneficially used in the United States.

Later, and mistakenly, the American negotiators shifted to higher estimates. A Mexican negotiator reported to his Senate (reprinted in full in U.S. S. Doc. 98, 79th Cong., and in part in S. Doc. 249, 79th Cong., p. 14) :

The negotiations of the treaty on the part of the American delegation and later its approval by the American Senate were made by taking as a fundamental basis the official document called the Santa Fe agreement, which with the approval of the American Federal Government distributed, since 1922, the main stream of the Colorado River among the American States of the upper and lower basins, and specified that the waters assigned to Mexico should be taken from the excess which the average virgin volume of the river (22,000,000,000 cubic meters) (17,835,000 acre-feet) had over the volume distributed among the American States of the upper and lower basins (20,000,000,000 cubic meters) (16,213,600 acre-feet). Our assignment of 1,850,000,000 cubic meters (1,500,000 acre-feet) is included, then, within the 2,000,000,000 cubic meters (1,621,000 acre-feet) of the difference.

It is clear that both the American and Mexican negotiators thought they were disposing only of "surplus" waters that would involve no curtailment of uses of water apportioned by the Colorado River Compact. The report of the Senate Committee on Foreign Relations with respect to the Treaty specifically said :

Presumably then, the Mexican allocation of 1,500,000 acre feet per year will be supplied from the amount of approximately 2,000,000 acre feet which is estimated to be the surplus after the Compact allocations, totalling 16,000,000 acre feet, have been supplied.

The Treaty actually signed in 1944 (Treaty Series 994, 59 Stat. 1219), guaranteed Mexico a minimum of 1.5 million acre-feet annually, measured at the boundary. "While the Treaty calls for a 'guarantee' to Mexico there is also language in the Treaty calling for a proportionate reduction to Mexico in times of extraordinary drought." But the actual burden on the American water supply occasioned by this guarantee is about 1.8 million. This is because the United States absorbs all reservoir evaporation and channel losses, and because the Treaty gives the United States credit only for water delivered in response to Mexican schedules of demands, with no credit for over-

deliveries, which are unavoidable. It appears that wartime exigencies, plus the desire to have this agreement signed before convening of the conference to organize the United Nations, accounted for some of the concessions granted Mexico. The guarantee to Mexico—now known to be insupportable without grave damage to American interests—reads as follows:

ARTICLE 10

Of the waters of the Colorado River, from any and all sources, there are allotted to Mexico:

(a) A guaranteed annual quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) to be delivered in accordance with the provisions of Article 15 of this Treaty.

(b) Any other quantities arriving at the Mexican points of diversion, with the understanding that in any year in which, as determined by the United States Section, there exists a surplus of waters of the Colorado River in excess of the amount necessary to supply uses in the United States and the guaranteed quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) annually to Mexico, the United States undertakes to deliver to Mexico, in the manner set out in Article 15 of this Treaty, additional waters of the Colorado River system to provide a total quantity not to exceed 1,700,000 acre-feet (2,096,931,000 cubic meters) a year. Mexico shall acquire no right beyond that provided by this subparagraph by the use of the waters of the Colorado River system, for any purpose whatsoever, in excess of 1,500,000 acre-feet (1,850,234,000 cubic meters) annually.

In the event of extraordinary drought or serious accident to the irrigation system in the United States, thereby making it difficult for the United States to deliver the guaranteed quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) a year, the water allotted to Mexico under subparagraph (a) of this Article will be reduced in the same proportion as consumptive uses in the United States are reduced.

It is unclear whether the “extraordinary drought” clause would enable the United States to protect its reserves in storage, or whether American reservoirs must be drawn down without limit to satisfy the Treaty burden. In the past, water stored in Lake Mead has been used to meet deliveries to Mexico, and the United States has never invoked the “extraordinary drought” escape clause, even at a time when the Secretary of the Interior was imposing a 10 percent reduction in consumptive uses below Hoover Dam.

The dependence of Mexico on Hoover Dam Storage (dedicated by the Project Act to the exclusive benefit of American water users) was conceded by one of the principal Mexican negotiators, reporting to his own Senate (reprinted in S. Doc. 249, 79th Cong., p. 9):

* * * This graph shows clearly that in the irregular form in which the flows would occur, *Mexico, instead of receiving benefits would repeatedly sustain damage; as a rule when the water was available, it would descend in veritable floods which would destroy everything; and on other occasions in*

the months of the greatest scarcity and the greatest necessity, the channel would be dry.

Instead, the waters that Mexico will receive in accordance with the treaty will be received regulated by the American works, and at the appropriate time for their application to the land.

The Treaty evaded the question of "quality of water" to be delivered to Mexico and this has been a matter of growing contention between the United States and Mexico.

On April 18, 1945, following extended debate, the Senate gave its advice and consent to the treaty; greater wartime interests of the United States compelled an agreement with Mexico.

4. A NATIONAL OBLIGATION

The Committee is convinced that the Mexican Water Treaty, like all other treaties between the United States and another country, is an international agreement for which the citizens of all 50 States must bear the national responsibility. This premise is well-established both by direct documentation and by precedent.

At the time the Treaty was before the Senate the statement by the Secretary of State recognized clearly the national character of the responsibility involved. For instance, at page 20 of the hearing, *supra*, he stated:

It seemed to us to be in keeping with our democratic institutions and procedures that the representatives of the communities most vitally concerned should be consulted with respect to these matters, *despite the fact that these questions are also of large national and international significance.* [Emphasis supplied.]

From its historical background, from the nature of pretreaty negotiations, from hearings on the Treaty in the Senate, and from the manner in which it is administered, it is obvious that the fulfillment of Treaty water requirements is intended to be a *national* obligation—not the obligation of the seven basin States. The Treaty was entered into by the United States on behalf of all its citizens. The benefits of the Treaty are national in character, and should not have to be met by the sacrifices of water of the seven Colorado River Basin States.

The concept of providing that the costs of meeting Treaty requirements should be borne by the nation as a whole is not new—this is the general practice. There are numerous precedents involving international waters under which the United States has assumed the financial responsibility as a national obligation.

One such precedent can be found in the Mexican Water Treaty itself. So far as the Rio Grande is concerned, the obligations assumed by the United States with respect to the construction of the necessary control structures were national obligations. Article 5 of the Treaty provides for the construction and cost allocations between the two national governments of the necessary agreed upon dams. Article 6 provides for further studies of other future construction that may be agreed upon by the two governments, and costs are made the national obligations of the two governments. Falcon Dam and Armistad Dam were both built on the Rio Grande under terms of the Mexican Water Treaty. Also, the Davis Dam on the Colorado River is used for regulation in connection with meeting the Mexican

Treaty obligation, and Senator Wash Dam has just been completed at Federal expense for further regulation in connection with the Treaty.

The Painted Rock Dam on the Gila River was completed in 1959. It was justified as a nonreimbursable project because its construction was important to the operation of the Mexican Treaty.

As further evidence of Congressional recognition of the Mexican Water Treaty as a national obligation, Congress in 1965, faced by Mexican complaints over the quality of Colorado River water delivered to her under terms of the Treaty, authorized the construction of works to preserve the quality of releases to Mexico. These works, to bypass water of high salt content around Morelos Dam, were made nonreimbursable and thus the responsibility of all United States taxpayers.

In 1925, the United States entered into a Convention with Canada concerning the Lake of the Woods (Treaty Series 721 (44 Stat. 2108)). In this Treaty, Canada was seeking to raise the Lake of the Woods' water level for power production. Article VIII of the Treaty provides for the securing of flowage rights to a specified elevation. The United States assumed the liability to all United States' owners for needed land. Further, the United States was to provide the necessary protective works to make effective the raising of the water level of the Lake of the Woods.

In the Niagara Water Treaty of 1950 (1 U.S. Treaties and Other International Acts, page 695), dealing with the remedial works necessary to preserve the Niagara River, Article II provides that "the total cost of the works shall be divided equally between the United States of America and Canada."

Under the Rio Grande Convention of 1906 (Treaty Series 455 (34 Stat. 2953)), this Treaty being the one which granted Mexico 60,000 acre-feet of water from the Elephant Butte reservoir, by the Act of March 4, 1907 (34 Stat. 1295) the United States appropriated \$1 million "toward the construction of a dam for storing and delivering 60,000 acre-feet annually in the bed of the Rio Grande at points where the headworks of the Acequia Madre now exists above the City of Juarez, Mexico." The Treaty also provides that:

The said delivery shall be made without cost to Mexico, and the United States agrees to pay the whole cost of storing the said quantity of water to be delivered to Mexico, of conveying the same to the international line, of measuring the said water, and of delivering it in the river bed above the head of the Mexican Canal.

In 1933, the United States entered into the Rio Grande Convention (Treaty Series 864 (48 Stat. 1621)). The purpose of this Convention was to provide for rectification of the channel of the Rio Grande below Elephant Butte reservoir. In this Convention, Article III, the cost of the works was prorated between the two governments in the following percentages: United States 88 percent and Mexico 12 percent.

The Columbia River Treaty (15 U.S. Treaties and Other International Agreements, page 1555) provides in Article VI for the payment by the United States to Canada of \$64,400,000 as compensation to Canada for the benefits which the United States will receive from the construction of dams in Canada on the headwaters of the Columbia River.

5. THE WORSENING WATER SUPPLY

Since the date of the Treaty's ratification, the Colorado River's water supply, and the quality of that supply, have worsened. Storage in American reservoirs has been depleted, at times, to the bare minimum of operating heads of the power plants—in grim contrast with the assumption stated in the Senate Committee 1944 report on the Treaty, p. 9: "The use of Boulder Dam is not contemplated under the Treaty for the delivery of the Mexican allocation." Lake Mead is only half full, and Lake Powell has never reached more than one-third its capacity, while the Mexican Water Treaty has been fully honored. Mexico has complained of the quality of the water reaching her, with the consequence that extra quantities have been released from American storage to improve that quality, and expensive works have been built at the expense of the United States Government to bypass return flow from the Wellton-Mohawk Project in Arizona around the Mexican points of diversion. This, also, is in contrast with the remarkable assurance given the United States Senate by one of the American negotiators that the Treaty could be satisfied by delivering to Mexico water of unusable quality (S. Doc. 249, 79th Cong., p. 12). Davis Dam, built at Federal expense as a treaty structure to re-regulate the power discharges at Hoover, has had to be supplemented by the Senator Wash Dam, at Federal expense, to more nearly regulate the flows to Mexico. Painted Rock Dam has been built at Federal expense to control floods from the Gila, which enters the Colorado just above Mexico. Clearly the precedent has been established that the costs of fulfilling the Mexican Treaty are to be borne by the American taxpayers.

6. SUMMARY

Testimony before this Committee shows that the ultimate introduction of at least an additional 2 million acre-feet of new water of high quality into the river is essential if, in addition to meeting the Mexican Treaty requirements, these objectives are to be accomplished: (1) to supply the minimum of 7.5 million acre-feet annually of main-stream water which the Congress apportioned among the three Lower Division States; (2) to avoid further disputes and arguments with Mexico concerning deterioration of the quality of the water at the boundary, already containing several times the salt content countenanced by U.S. Public Health Service standards, to a level wholly unacceptable for use in either the United States or Mexico, and (3) to resolve a presently unresolved dispute between the Upper and Lower Basins over filling deficiencies in deliveries of water to Mexico in short water years. The unresolved issue is whether consumptive use of the water from the Gila River in Arizona, which is a tributary of the Colorado River, should be counted when computing the amounts of water that may have to be supplied by the Basin States to fill deficiencies in deliveries to Mexico. If the National Government augments the water supply of the Colorado River, there will be no deficiencies, and possible litigation between the Upper and Lower Basin States can be avoided.

In summary, it is clear that (1) the Mexican Water Treaty was based on a mistake of fact—i.e., that delivery to Mexico of 1,500,000 acre-feet of water would not decrease Upper and Lower Basin appor-

tionments of water, (2) the Treaty was based on the mistaken assumption that its fulfillment would not require the use of Lake Mead storage, (3) consideration of the Rio Grande and Colorado Rivers together in the Treaty negotiations worked to the detriment of the Colorado River Basin States, and (4) negotiations during wartime and just prior to the conference to organize the United Nations resulted in additional concessions by the United States. Thus, the Committee believes that the economic impact of the Treaty should be borne by the nation as a whole, rather than by the water users on the Colorado River. In other words, the cost of performing the Treaty ought to be a Federal responsibility. The national government created the Treaty obligation in the belief that it would not deprive American users of water or disrupt the economy of a large area in the United States, and when that belief proves to be wrong the national government should bear the cost of providing the additional water to meet the obligation. Both the Department of the Interior and the Bureau of the Budget have endorsed this principle, and the Committee accepts it as fair and equitable and necessary to the enactment of this legislation.

IX. NEED FOR PROJECTS

CENTRAL ARIZONA PROJECT

Central Arizona is one of the fastest growing and most arid regions in the Nation. Historically, development in Central Arizona lagged behind most regions in the Nation because of its remoteness and its arid climate. Recently, however, population and economic growth have advanced rapidly, resulting in the utilization of the area's dormant wealth in agriculture, mining, lumbering and tourist attractions.

The Lower Colorado River Basin, of which Central Arizona is a vital part, produces more than a billion dollars worth of agricultural products annually. The fact that the Nation has this production now is highly important, but the prospect that the Nation might not have it in the future is alarming. Many specialty crops such as winter lettuce, citrus fruits, garden vegetables, dates and melons are produced in this area. Virtually all of the agriculture depends on irrigation.

A market exists for more produce of this kind than our domestic Southwest now grows. This is seen in the fact that the United States presently imports \$65 million worth of this type farm produce. These imports consist principally of winter vegetables (melons, tomatoes, peppers, peas, and so forth) from irrigated areas south of the Arizona and California borders.

Water is the key element that has made Arizona's economy strong and its spectacular recent growth possible. Without a permanent supply of water, much of this area would revert to desert. This is more than a future possibility, as it has already begun to happen in some areas of the State where water shortages are most critical.

The effects of declining water supply are first felt in the agricultural sector of an area's economy. Diminished yields, greater depths to ground water, lowered water quality, and higher costs are first felt by farmers. Cutbacks in irrigation adversely affect local businesses. Local business is the link with regional and national trade, and reductions are soon transmitted to other States and other areas. If Arizona's water problems are not resolved, repercussions will be manifested in

the reduced outflow of agricultural products and the reduced inflow of farm machinery, fertilizers, and other farming inputs.

Urbanization is rapidly expanding in Arizona and in some areas is resulting in the loss of prime agricultural land. This is especially true in Central Arizona, because the major metropolitan areas have sprung from towns in the irrigated farming areas, and the very economic base which underlies the growth and vitality of these cities is being taken over in the population explosion. For example, the incorporated area of Phoenix, Arizona, has increased from 17.1 square miles to 222.7 square miles during the last 14 years. The demand for more agricultural land for industry, for business, for residences, for schools, parks, and recreation, will continue as the agriculture land base declines.

The transition from an agricultural economy dependent on irrigation to a strong, diversified industrial economy is inevitable. Industrial and municipal uses of water will, in the long run, support a larger and more affluent population than will predominantly agricultural uses of water, and this is a very important consideration in an area which will probably always have to live within definite constraints on the availability of water supplies. Basic changes such as these in the structure and fabric of a region's economy and way of life do not normally occur overnight, however, and when they do, they are usually accompanied by dislocation which disrupt the economy of the area, the well-being of its institutions, and the security and the aspirations of its people.

Construction of the Central Arizona Project will permit a more gradual transition toward a predominantly municipal and industrial use of water. Water supplied under the project is to supplement existing supplies and no new lands are to be irrigated. Water supplied by the Central Arizona Project will allow Arizona to utilize its share of Colorado River water. It will also provide time to diversify the economy, to plan, and to implement procedures which will avoid the crises which too often accompany a region's realization that economic growth must take place within the confines of a limited water supply.

The outstanding growth of manufacturing in the past 10 years is partially a result of the contribution of agriculture which furnishes substantial quantities of the raw materials processed through the factories. The bulk of the growth in manufacturing, however, has resulted from expansion in products of the communications, space, and aircraft industries. This trend should continue in the future.

Much of the water used in Arizona in the past has come from large ground water basins. Water stored in these reservoirs has accumulated over millions of years. Mining of this ground water resource (pumping of the ground water at a rate faster than it can be recharged naturally), has largely supported the area's growth.

In the desert, ground water recharge from precipitation is minimal. Historically, the major source of natural recharge came from rivers flowing onto and across the desert. Today this recharge is restricted to exceptionally wet water years when the highly developed reservoir systems fill and surplus water can flow downstream into the recharge area. As the streamflow has been diverted from natural streams into canals and farmland the recharge from agriculture and municipal uses has increased. However, even with this recharge the current average annual rate of ground water decline in the area has been about

10 feet per year with a large portion of the area experiencing a decline of as much as 20 feet or more.

The average water table depth in 1940 was only about 70 feet below ground surface. By 1964 the average had dropped to 200 feet with depths as great as 500 feet. Pump lifts associated with these water table levels vary from 250 to 600 feet. Judging from the present rate of ground water withdrawal, the average water table can be expected to fall about 300 feet or lower by 1975; and this fall in water tables will be accompanied by corresponding increases in pumping lift from wells.

Water quality frequently becomes poor at greater depths because of deep deposits of salts and gypsum. This poor quality water must be diluted with better quality water from other sources to avoid salt concentrations which exceed the minimum agricultural and public health standards. In fact, a great deal of the water presently used in Central Arizona now exceeds these minimum standards.

Because of pumping costs, poor water quality, and the physical limitations imposed by the variable nature of the underground storage, the entire volume of underground water cannot be considered available for use. The present net rate of overdraft of about 2½ million acre-feet per year will drastically deplete this largely nonreplenishable resource before adequate water is available to bring supply and demand in balance.

Water use in Arizona in the past has been predominantly for agriculture. As late as 1960 more than 90 percent of the water used in Central Arizona was used for agricultural purposes. As the urban areas of Phoenix and Tucson expand, this relationship of water use is changing rapidly. The rate of change is expected to accelerate in the future as the population continues to expand and as industrial development increases.

Central Arizona Project water will be marketed through qualified contracting agencies, principally municipalities and irrigation districts. The chief immediate result of purchases of project water by either of these two types of users will be a reduction in present overdrafts on the ground water, which in turn will result in prolonged availability of water for all uses. The use of project water to satisfy the growing urban needs will slow the pace of the preemption of agricultural water which is now taking place.

In brief, the Central Arizona Project is needed to—

- (1) Reduce a dangerous overdraft upon ground water reserves;
- (2) Maintain as much as possible of the area's irrigated farm land; and
- (3) Provide a source of additional water for municipal and industrial use that will be required during the next 30 years.

UPPER BASIN PROJECTS

The Upper Basin projects are needed in the areas they will serve to provide dependable water supplies to meet the ever-growing needs for agricultural, municipal, and industrial uses.

Animas-LaPlata

A dependable water supply is the most urgent need of the Animas-LaPlata project area. It is essential to expansion of the irrigated area, to stabilization of agriculture on the presently irrigated area, and to

the continuing development of other resources. Because of the great seasonal and yearly fluctuations in riverflow, the additional water needed can be obtained only through construction of regulatory reservoirs.

Practically all the land now irrigated is in need of supplemental water in the late growing season. Good quality lands without irrigation are idle or, under dry farming, are producing only a small part of their potential. Dry farming is a speculative venture and many man-years of low rainfall investments in dry farming are almost totally lost. Because of shortages of feed, the livestock industry on which much of the area is economically dependent is at a standstill. With the limited crop production winter feeds are in short supply and national forest and Taylor grazing lands are used to capacity. High transportation costs make it impractical to import additional feed into the area. Many farmers work off the farm part time to supplement their income. As a result, a growing number of small farms are inefficiently operated.

When the Animas-LaPlata plan was developed in 1962, the project was designed to serve primarily irrigation needs. However, in the period since the 1962 plan was formulated, a need for larger quantities of municipal and industrial water in an area serviceable by the project has become evident. Interest in obtaining water has been expressed by a number of New Mexico communities extending from Aztec on the Animas River through Farmington at the junction of the Animas and San Juan Rivers and downstream along the San Juan River through Kirtland, Fruitland, Waterflow, and Shiprock. Farmington plans to extend its municipal water system to include these downstream communities. Active interest has also been shown in obtaining water for uses associated with development of the extensive bituminous coal deposits underlying large areas of the LaPlata River Basin and the adjacent Mancos River Basin to the west. The Peabody Coal Co. and the Pittsburgh and Midway Coal Mining Co. are separately exploring the feasibility of a large coal-fueled power plant that would utilize coal from the LaPlata coalfield near the Colorado-New Mexico State line. The Peabody Coal Co. has expressed an interest in obtaining 30,000 acre-feet of water annually for cooling purposes at that location. Any development there would involve lands owned by the Southern Ute Indian Tribe. The Ute Mountain Indian Tribe has coal deposits on its lands in Colorado in the service area of the Animas-LaPlata project. Other potential needs for municipal and industrial water in the project area are associated with natural gas, oil, and other mineral resources, recreational attractions, and the trend toward more intensive farming in the raising of vegetables and fruit in the New Mexico portion of the area and dairying in the Colorado portion.

The 1962 project plan for the Animas-La Plata project has been modified to meet the growing requirements for municipal and industrial water.

Dolores

A dependable water supply through development of additional storage regulation is the most urgent need for continued growth of the Dolores project area. The water demands cannot be met by direct flows and the limited storage supplies presently available.

Additional irrigation water supplies are needed to stabilize and expand agricultural development. Lands in the Dove Creek area, which are now dry-farmed, produce only a part of their full potential because of the farmers' dependence on rainfall for moisture. In years of adequate rainfall, yields are good and the farmers prosperous yet in years of drought, which frequently occur, the lands produce barely enough to offset farming expenses. Although much of the Montezuma Valley area is irrigated, the irrigation supply fails to meet requirements and sufficient feeds are not available for the livestock industry. In the Towaoc area, a part of the Ute Mountain Indian Reservation, the sage-covered lands are usable only for sparse grazing. Indians on the reservation are forced to hire non-Indian operators in adjacent areas to raise much of their livestock feed supply.

Communities in the project area, particularly Dove Creek and Cortez, anticipate a need for additional water for future growth. Dove Creek's present supply is excessively costly because of high-head pumping involved in securing water from the Dolores River, and any development of additional supplies without project development would be equally as expensive. Without the Dolores project, it will be necessary for Cortez to acquire water which is currently used for irrigation and to construct storage facilities. Not only would such action be costly to the city but it would take valuable agricultural land out of production.

Dallas Creek

In the Dallas Creek project irrigation service area there is an urgent need for additional and dependable irrigation supplies to improve and stabilize the economy of the farmers and of related service industries. At the present time the late-season water shortages on irrigated lands commonly result in crop failures. Dryland farming is practiced to a limited extent but results are uncertain. Large acreages of land once cleared for dry farming at considerable expense are no longer farmed because of frequent crop failures due primarily to insufficient rainfall. Decreases in grazing privileges on public lands in recent years have adversely affected some livestock operations and increased the need for more farm-grown feed. Many of the farmers have depressed living standards because of limited agricultural production.

Additional municipal and industrial water is needed to meet existing and anticipated needs of local communities and to provide a safe and convenient supply for surrounding rural areas. The need for additional water in the communities is accentuated by the population growth anticipated for them in the years ahead. The already important recreational attractions of the area will soon be greatly increased with completion of the Curecanti unit of the Colorado River storage project. Local industrial development also is expected to be stimulated by electric power from the Curecanti unit and other units of the storage project. Growth in the area will almost certainly result from the new power operations center at Montrose, Colorado. Development of the authorized Fruitland Mesa and Bostwick Park projects and of the Dallas Creek project itself, if authorized, would increase agriculture and would improve recreational and fish and wildlife attractions, further stimulating growth of the general area.

Control of floodflows of the Uncompahgre River is needed to prevent the inundation of farmlands and frequent channel changes that now occur during the spring snowmelt period and during heavy rainstorms which usually occur in the late summer.

West Divide

Additional water is the most urgent need of the project area, both for agriculture and as a reserve for municipal and industrial use.

Because of inadequate irrigation supplies, agricultural incomes in the project irrigation service area on the south side of the Colorado River are unstable and many farm operations are marginal. Less than half of the arable lands are irrigated. Even lands with high-priority water rights often have late-season water shortages and lands with low-priority water rights receive almost no irrigation water in drought years. Recent decreases in grazing permits on public lands have aggravated the agricultural problems and forced a number of farmers to reduce their livestock herds and sell or abandon their farms. An increased supply of irrigation water made dependable by reservoir storage, such as would be provided by the West Divide project, would alleviate the farm problems and provide a base for an expanded and more prosperous agriculture.

Important as is the need for irrigation water, an even greater need appears to exist for municipal and industrial water in connection with the oil shale potentialities. Large water reserves are essential to the processing of the shale oil on a commercial basis and to the establishment of urban complexes to support the large influx of industrial workers and their families that would necessarily accompany the industrial development. Municipal water also is urgently needed to support suburban and recreational areas rapidly expanding in the eastern portion of the project area southward from Glenwood Springs and in the vicinity of Redstone, Colorado.

San Miguel

An expansion of the agricultural base is urgently needed to offset the fluctuating and currently depressing effects of the mining industry on the general economy of the San Miguel Project area. New agricultural development would create new settlement opportunities, more work on existing farms, and employment in related service industries. Such development would be a boon to the area's younger generation seeking job opportunities and to many now in the labor force with uncertain futures in the mining industry.

Improved control of San Miguel River flows is desirable to firm the water supply for industrial expansion and associated municipal water needs. Interest has been shown in obtaining regulated water supplies near the Nucla coal reserves to stabilize and expand present operations to meet continuously increasing power requirements. Interest has also been expressed in the establishment of a wood pulp or pulp and paper mill to utilize the products of nearby forests. Development of the area's potash reserves and the use of water in secondary oil and gas recovery operations represent other potential water needs.

The growing number of tourists in the project area is creating a need for water recreation areas such as would be provided by the San Miguel project. Reservoir areas would help fill the demand for fishing, picnicking, and other outdoor recreational opportunities.

X. DESCRIPTION OF PROJECTS

CENTRAL ARIZONA PROJECT

Central Arizona project facilities authorized by H.R. 3300 will coordinate the use of Colorado River water and the local water resources of the Gila River Basin to provide water for the rapidly expanding metropolitan areas of Phoenix and Tucson, for agricultural areas presently dependent upon severely over-drafted ground water basins, and for other water-deficient areas of Arizona and western New Mexico through direct diversion or exchange of water. Additional purposes include flood control, recreation, fish and wildlife conservation, sediment retention, salinity control, power generation, and area redevelopment.

The backbone facilities of the Central Arizona Project are the Granite Reef, Salt-Gila, and Tucson aqueducts, which will convey pumped Colorado River water to the central service zone. Major project features include:

- Granite Reef aqueduct and pumping plants.
- Salt-Gila aqueduct and pumping plant.
- Orme dam and reservoir or suitable alternative.
- Tucson aqueduct and pumping plants (Colorado River source).
- Buttes dam and reservoir.
- Hooker dam and reservoir (New Mexico).
- Charleston dam and reservoir.
- Tucson aqueduct (San Pedro River source).

Granite Reef aqueduct

The Granite Reef aqueduct will transport water diverted from Lake Havasu by the Havasu pumping plant about 200 miles to Orme Dam located a few miles northeast of Phoenix. The designed capacity of the concrete-lined aqueduct is 2,500 cubic feet per second. The Granite Reef aqueduct, in addition to the initial pumping plant at Lake Havasu, will require a series of lower lift pumping plants, short tunnels, and siphon crossings at major drainages.

Orme Dam and Reservoir

Located on the Salt River just downstream from its junction with the Verde River, the Orme Dam will be operated with the present Salt River project storage system as well as the aqueduct system from the Colorado River. Sediment-laden storm-flows, originating on tributaries below Bartlett and Stewart Mountain Dams, will be regulated and controlled. Coordinated with operation of the Granite Reef aqueduct, it will provide regulatory storage as needed for both Salt-Verde flows and Granite Reef aqueduct deliveries. In its multiple-purpose role it will serve as an afterbay, reregulate releases from upstream reservoirs, improve the Salt River project operating conditions by removing sediment, create a recreational area with fish and wildlife conservation uses, and in combination and coordination with the upstream reservoirs and downstream channelization, provide storage to meet the flood control requirements of the Salt River through the Phoenix area.

Salt-Gila aqueduct and pumping plant

The 1,800 cubic-feet-per second capacity Salt-Gila aqueduct will receive water either directly from the Granite Reef aqueduct or by

releases from Orme Reservoir. A relatively low-head pumping plant is required to lift the water into the aqueduct from either source.

Buttes Dam and Reservoir

Although investigated and reported previously as a separate facility, Buttes Dam and Reservoir is included as an integral part of the Central Arizona Project. An earthfill structure, the Buttes Dam will form a reservoir of 366,000 acre-feet capacity. Conservation storage capacity will be 100,000 acre-feet, and 266,000 acre-feet of capacity will be used for sediment and flood control purposes.

Tucson aqueduct (Colorado source)

An aqueduct to deliver 100,000 feet annually to the Tucson metropolitan area will originate at the terminus of the Salt-Gila aqueduct. This municipal and industrial water supply will be conveyed through a 150-cubic feet per second-capacity pipeline and would be lifted 920 feet by a series of pumping plants.

Charleston Dam and Reservoir

On the San Pedro River between Tombstone and Fort Huachuca, a concrete gravity structure rising 158 feet above streambed, with earthenwing dams, will create a 238,000 acre-feet capacity reservoir. Water conservation will be provided through exchanges. Recreation, fish, and wildlife uses, sediment detention, and flood control benefits will also accrue.

Tucson aqueduct (San Pedro source)

This conduit will convey about 12,000 acre-feet annually from the Charleston Reservoir to Tucson and vicinity.

Hooker Dam and Reservoir

Hooker Dam or suitable alternative would be a structure on the upper Gila River. The dam will be constructed to a size adequate to provide for new consumptive uses of 18,000 additional acre feet of water annually by New Mexico as provided in this legislation. The reservoir will provide water supplies, fish and wildlife uses, recreation, sediment detention, and flood control. H.R. 3300 requires further study of this feature, and an alternative site may be recommended in the final plan.

Distribution systems

In all areas an improvement in conveyance and distribution system efficiencies is essential to obtain optimum water development and use.

H.R. 3300 provides for the authorization of up to \$100 million of appropriations for Federal financing of distribution and drainage systems for non-Indian lands.

Construction of new irrigation systems and rehabilitation and lining of existing systems for the seven Indian reservations within the project area are included in the project costs.

Drainage and reuse facilities

Drainage facilities contemplated as part of the project works are open drains and drainage wells upstream from Gillespie Dam on the Gila River. Costs of these facilities are included in the project cost.

Power generation and transmission arrangements

The Secretary of the Interior is authorized to make prepayment arrangements to acquire an entitlement to the delivery of a portion of the electrical output of a large thermal generating powerplant to serve project pumping needs, assuming that he determines this is the best way to meet these power needs. The thermal plant would be owned, constructed, and operated by non-Federal interests (private and public utilities in the Southwest). Current studies indicate that approximately 400 megawatts of capacity will be required. The prepayment arrangements would permit the project to obtain power for pumping at a cost reflecting the economy of large thermal electric powerplants and the benefits of Federal financing.

Water salvage measures

Included in the bill are water salvage measures consisting of ground water recovery in the Yuma area and phreatophyte clearing along the Lower Colorado River. These undertakings will yield an estimated 320,000 acre-feet of water annually for use in the lower Colorado River basin.

Fish hatcheries and wildlife refuge

Fish and wildlife measures include national fish hatcheries for both warm water fish and trout, the Cibola National Wildlife Refuge, the New Mexico State Fish Hatchery, and a rough fish eradication program.

UPPER BASIN PROJECTS

The five projects that will be authorized by H.R. 3300 are the Animas-La Plata project in Colorado and New Mexico, and the Dolores, Dallas Creek, West Divide, and San Miguel projects in Colorado. They would be authorized as participating projects under the Colorado River Storage Project Act. The five projects are briefly described in the following paragraphs:

Animas-La Plata

The Animas-La Plata project is in southwestern Colorado and northwestern New Mexico in the San Juan River Basin. The project would develop the flows of the Animas and La Plata River systems for irrigation, municipal and industrial use, recreation, and fish and wildlife enhancement.

Project water supplies would be provided to about 72,000 acres in Colorado and New Mexico of which 46,500 acres, including about 7,500 acres of Indian lands, would receive full supplies and 25,600 acres would receive supplemental supplies. About 76,000 acre-feet annually of municipal and industrial water also would be supplied by the project. A portion of these supplies would fulfill the present and future needs of Durango, Colorado; Farmington, New Mexico, and nearby communities. Substantial supplies would be made available for the development of coal-fired electric powerplants which will utilize the coal deposits on the Southern Ute and Ute Mountain Indian Reservations. By exchange, the project would also make irrigation water available to augment supplies of the existing Florida project nearby.

The Animas-LaPlata project would assist in the trend toward more intensive farming and the production of vegetables, fruit, and dairy

products in the area. The availability of water would insure the development of the area's valuable coal deposits. The development would be of particular value to the Indian tribes through the provision of both industrial and agricultural economic ventures.

Dolores

The Dolores project is just east of the Utah-Colorado State line in southwestern Colorado. The project would develop the flows of the Dolores River to provide irrigation water for about 61,000 acres, of which 28,700 acres would receive supplemental water supplies and 32,300 acres, including 1,500 acres of Indian land would receive full supplies. The project would furnish 6,100 acre-feet annually of municipal and industrial water supply for the communities of Dove Creek and Cortez. Significant recreation, fish and wildlife enhancement, flood control, area redevelopment, and water quality control benefits would also be realized from the development.

The Dolores project would stabilize the existing agricultural economy by providing supplemental water to irrigated lands now experiencing shortages and by expanding irrigation to good quality lands presently dry farmed and producing only a part of their potential. The municipal and industrial water supply is urgently needed to meet current and future requirements of communities in the project area.

Development of the project would bring substantial employment benefits to Indians of the Southern Ute, Ute Mountain, and Navajo Reservations. The regulation provided by the project's McPhee Reservoir would improve the quality of water for municipal use at Cortez and Dove Creek and provide appreciable flood control benefits downstream along the Dolores River.

Opportunities for water-based recreation and for fish and wildlife enhancement would be afforded by the project in an area now nearly devoid of such opportunities.

Dallas Creek

The Dallas Creek project is in Delta, Montrose, and Ouray Counties in west-central Colorado. The project would develop the water of the Uncompahgre River and its tributaries to provide irrigation water for about 23,600 acres of land, of which 14,900 acres would receive full water supplies and 8,700 acres supplemental supplies, and 15,000 acre-feet annually of municipal and industrial water supply for the communities of Olathe, Montrose, and Delta and the surrounding rural areas. Recreation, fish and wildlife enhancement, and flood control benefits would be provided by the project's reservoirs.

The irrigation supplies of the Dallas Creek project are urgently needed to alleviate late-season water shortages, which commonly result in crop failures, and to augment the irrigated acreage which supports the livestock industry of the area.

The municipal and industrial water supplies are needed to meet the existing and potential needs for adequate and safe supplies for local communities and surrounding rural areas, particularly the city of Montrose which is presently experiencing rapid growth. The expansion of tourism is one of the factors contributing to the growth in the area.

Three project reservoirs would provide attractive recreation areas, and features for the conservation of fish and wildlife resources are also

included in the plan. The proposed Ridgeway Reservoir would be valuable for the control of snowmelt floods.

West Divide

The West Divide project is in Garfield, Mesa, Pitkin, and Gunnison Counties in west-central Colorado. Project water would be obtained from a series of Colorado River tributaries, including the Crystal River. The project would provide 77,500 acre-feet annually of municipal and industrial water and irrigation water for about 40,000 acres, of which 19,000 acres would receive full irrigation supplies and 21,000 acres would receive supplemental supplies. Recreation, fish and wildlife conservation, and flood control would also be important functions served by the project.

The project area lies along both sides of the Colorado River adjacent to the Roan Plateau which contains some of the world's richest oil shale deposits. Developmental oil shale activity is in progress near the project, and the area offers an attractive and convenient site for a municipal and industrial complex to develop this resource. The West Divide project would provide the initially required water supplies for the industrial processes and the attendant community growth. Municipal water would also be supplied for the current recreation and suburban expansion near Glenwood Springs.

The dependable irrigation water supplied by the project would alleviate the problems of the unstable and often marginal farming operations in the area and provide an expanded and more prosperous base for the existing agricultural economy.

The project reservoirs would significantly improve recreation opportunities in the already popular White River National Forest. Benefits to fisheries and upland game hunting would be provided by the project, and the project's Placita Reservoir would reduce snowmelt flood damages on the Crystal River.

San Miguel

The San Miguel project is in Montrose and San Miguel Counties in southwestern Colorado. The project would develop the flows of the San Miguel River to irrigate about 38,900 acres of land, of which 26,400 acres would receive full irrigation supplies and 12,500 acres would receive supplemental supplies, and to provide 44,000 acre-feet annually of municipal and industrial water supplies. It would also provide flood control, recreation, and fish and wildlife enhancement benefits.

Mining is the chief source of income in the project area, with agriculture second in importance. Mining activity has fallen off in recent years and an expansion of the agricultural base is urgently needed to offset the depressing effect on the general economy of the area. The project development would create new settlement opportunities and increased employment on existing farms and in related service industries.

The project would also provide water supplies for potential industrial and associated municipal expansion in the area. Interest has been evidenced in the development of coal resources near Nucla for the expansion of existing thermal-electric generating facilities. Other potential industrial uses are for pulp mills to utilize nearby timber resources and the development of the area's potash reserves. A depend-

able water supply would be basic to the realization of any of these possibilities.

The growth of tourism in the area is creating a need for water-based recreation and fishing, which will be provided by the development. Damaging spring flows of the San Miguel River would also be reduced by the project.

XI. SUMMARY OF COSTS—ECONOMIC AND FINANCIAL ANALYSES

CENTRAL ARIZONA PROJECT

Costs

A summary of up-to-date capital and operating costs for the Central Arizona Project, including water salvage and recovery works, is set out in the tabulation which follows:

Project costs:	1967 price level
Granite Reef aqueduct-----	\$370,760,000
Salt-Gila aqueduct-----	42,320,000
Tucson aqueduct-----	46,300,000
Orme Dam and Reservoir-----	42,340,000
Buttes Dam and Reservoir-----	35,240,000
Charleston Dam and Reservoir-----	36,420,000
Hooker Dam and Reservoir-----	¹ 31,730,000
Drainage system-----	11,570,000
Power generation and transmission arrangements-----	² 94,700,000
Subtotal-----	711,380,000
Indian distribution system-----	19,970,000
Water salvage and recovery-----	42,450,000
Fish hatcheries and wildlife refuge-----	5,250,000
Total project costs-----	779,050,000
Annual operation, maintenance, and replacement costs:	
Aqueduct system-----	³ 3,773,000
Power generation and transmission arrangements-----	³ 6,556,000
Subtotal-----	10,329,000
Water salvage projects-----	1,000,000
Fish hatcheries and wildlife refuge-----	490,000
Total-----	11,819,000

¹ This amount should not be appreciably different for any suitable alternative to Hooker Dam.

² Includes federally constructed transmission system to project pumps: \$28,480,000—1967 price level.

³ Pumping power costs are associated with power plant and transmission system rather than aqueduct system.

Benefit-cost analysis

A comparison of expected annual benefits from construction of the Central Arizona Project with annual costs is summarized in the tabulation which follows:

Benefits:

Irrigation:	1967 price level
Total -----	\$59,428,000
Direct -----	(28,640,000)
Municipal and industrial -----	18,584,000
Commercial power -----	4,246,000
Fish and wildlife -----	1,635,000
Recreation -----	583,000
Flood control -----	780,000
Areal redevelopment -----	267,000
Total -----	85,523,000
Direct -----	54,735,000

Costs:

Total project costs -----	779,050,000
Interest during construction -----	52,446,000
Subtotal -----	831,496,000
Less:	
Investigation costs -----	\$5,794,000
Indian distribution system -----	19,970,000
	25,764,000
Net Federal investment -----	805,732,000

Annual equivalent of investment costs (100 years, 3¼ percent interest) -----	27,298,000
Average annual O.M. & R. -----	11,819,000

Total annual costs -----	39,117,000
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Benefit-cost ratios:

Total benefits, 100 years -----	2.2 to 1.0
Direct benefits only, 100 years -----	1.4 to 1.0
Total benefits, 50 years -----	2.1 to 1.0
Direct benefit only, 50 years -----	1.3 to 1.0

Cost allocation (100-year period, 3¼-percent interest)

The costs of the Central Arizona Project are allocated as follows:

1967 PRICE LEVEL

Purpose	Project cost	Average annual O.M. & R.
Irrigation -----	\$358,157,000	\$2,523,000
Municipal and industrial -----	216,143,000	812,000
Power -----	94,700,000	6,556,000
Irrigation -----	(45,361,000)	(3,140,000)
M. & I. -----	(17,898,000)	(1,239,000)
Commercial -----	(31,441,000)	(2,177,000)
Recreation -----	5,984,000	329,000
Flood control -----	10,964,000	36,000
Fish and wildlife -----	23,801,000	73,000
Prepaid investigation -----	1,631,000	
Subtotal -----	711,380,000	10,329,000
Indian distribution system -----	19,970,000	
Water salvage and recovery -----	42,450,000	1,000,000
Fish hatcheries and wildlife refuge -----	5,250,000	490,000
Total -----	779,050,000	11,819,000

Repayment analysis

A summary of the reimbursable and the nonreimbursable costs for the Central Arizona Project follow:

1967 PRICE LEVEL

	Project cost	IDC at 3.253 percent	Total for repayment
Reimbursable:			
Irrigation.....	\$358,157,000		\$358,157,000
Municipal and industrial.....	216,143,000	\$16,625,000	232,768,000
Power.....	94,700,000	2,842,000	97,542,000
Irrigation.....	(45,361,000)		(45,361,000)
Maintenance and inspection.....	(17,898,000)	(1,031,000)	(18,929,000)
Commercial.....	(31,441,000)	(1,811,000)	(33,252,000)
Recreation.....	1,678,000	55,000	1,733,000
Fish and wildlife.....	323,000	10,000	333,000
Total.....	671,001,000	19,532,000	690,533,000
Nonreimbursable:			
Flood control.....	10,964,000		
Recreation.....	4,305,000		
Fish and wildlife.....	23,478,000		
Indian distribution system ¹	19,970,000		
Water salvage and recovery.....	42,450,000		
Fish hatcheries and wildlife refuge.....	5,250,000		
Total.....	106,418,000		
Prepaid investigations.....	1,631,000		
Total project cost.....	779,050,000		

¹ Secretary makes determination of repayment ability—amount in excess over 50-year period is nonreimbursable.

Repayment of reimbursable costs

A repayment summary for the Central Arizona Project is shown in the tabulation which follows, and this summary is supported by a year-by-year repayment analysis which is also included.

1967 PRICE LEVEL

	Reimbursable costs	Net revenues available	Surplus or deficit
Irrigation.....	\$358,157,000	\$60,438,000	—\$297,719,000
Municipal and industrial.....	232,768,000	287,072,000	¹ 54,304,000
Power (total).....	97,542,000	175,199,000	77,657,000
Fish and wildlife.....	333,000	333,000	
Recreation.....	1,733,000	1,733,000	
Arizona's share of development fund ²		166,064,000	166,064,000
Total.....	690,533,000	690,839,000	306,000

¹ Municipal and industrial water charge per acre-foot: \$53.37.

² Derivation of Arizona's share of development fund available for irrigation assistance for central Arizona project.

Development Fund revenue after project payout through 2029 follows:

	Total	Arizona's share	Remainder
Hoover.....	\$443,500,000	\$78,056,000	\$365,444,000
Parker-Davis.....	93,335,000	46,668,000	46,667,000
PNW-PSW Intertie.....	41,600,000	41,600,000	
Total.....	578,435,000	166,324,000	¹ 412,111,000
Power loss at Coolidge Dam.....		260,000	
Available for CAP irrigation assistance.....		166,064,000	

¹ This repayment study assumes that assistance to Dixie project of \$28,000,000 to \$35,000,000 will be repaid from revenue in development fund in excess of Arizona's share; however, all or part of this amount could be paid from Arizona's share after repayment of CAP. Approximate annual revenues into the development fund after 2029: Hoover, \$10,660,000; Parker-Davis, \$3,624,000; PNW-PSW Intertie, \$5,200,000 through year 2046; CAP, \$16,965,000 for total of annual revenue of \$36,449,000.

UPPER BASIN PROJECTS

Costs

A summary of up-to-date costs for the Upper Basin projects follows:

Animas-La Plata	\$115, 880, 000
Dolores	53, 850, 000
Dallas Creek	42, 310, 000
West Divide	106, 580, 000
San Miguel	73, 140, 000
Total	391, 760, 000

Benefit-cost analysis

A comparison of the expected annual benefits from construction of the Upper Basin Projects with annual costs is summarized in the tabulation which follows:

Benefit-cost ratios:

Animas-La Plata	1. 64 to 1. 0
Dolores	1. 72 to 1. 0
Dallas Creek	1. 70 to 1. 0
West Divide	1. 86 to 1. 0
San Miguel	1. 42 to 1. 0
Composite (5 projects combined)	1. 68 to 1. 0

Cost allocation and repayment analysis

A project-by-project summary of the cost allocation and repayment analysis for the Upper Basin Projects follows:

ANIMAS-LA PLATA PROJECT—COST ALLOCATION AND REPAYMENT ANALYSIS (1967 PRICE LEVELS)

[In thousands of dollars]

	Construction costs	Interest during construction ¹	Annual O.M. & R. costs
Reimbursable costs:			
Irrigation	83, 433. 0		240. 6
M. & I. water	29, 710. 0	2, 028. 0	36. 2
Recreation and fish and wildlife	284. 8	1. 5	34. 2
Subtotal	113, 427. 8	2, 029. 5	311. 0
Nonreimbursable costs:			
Irrigation		5, 516. 0	
Recreation and fish and wildlife	2, 452. 2	135. 5	15. 4
Subtotal	2, 452. 2	5, 651. 5	15. 4
Total	115, 880. 0	7, 681. 0	326. 4

¹ Reimbursable interest during construction computed at 3.222% and nonreimbursable interest at 3.125%.

REPAYMENT OF REIMBURSABLE COSTS, 50 YEARS

[In thousands of dollars]

	Colorado		New Mexico		Total	
	Con- struction costs	Annual O.M. & R.	Con- struction costs	Annual O.M. & R.	Con- struction costs	Annual O.M. & R.
Irrigation.....	61,348.0	176.9	22,085.0	63.7	83,433.0	240.6
Irrigators.....	9,495.0	176.9	1,785.0	63.7	11,280.0	240.6
Non-Indians.....	(3,480.0)	155.3	(1,525.0)	55.8	(10,005.0)	211.1
Indians ²	(1,015.0)	21.6	(260.0)	7.9	(1,275.0)	29.5
Ad valorem taxes.....	3,390.0	-----	4,347.0	-----	7,737.0	-----
Prepayment ³	472.0	-----	170.0	-----	642.0	-----
Upper Colorado River Basin fund.....	47,991.0	-----	15,783.0	-----	63,774.0	-----
M. & I. water.....	26,115.0	30.2	5,623.0	6.0	31,738.0	36.2
Water users ⁴	25,927.0	30.2	5,583.0	6.0	31,510.0	36.2
Prepayment ³	188.0	-----	40.0	-----	228.0	-----
Recreation and fish and wildlife by non-Federal interests ⁴	192.5	26.3	93.8	7.9	286.3	34.2
Total.....	87,655.5	233.4	27,801.8	77.6	115,457.3	311.0

² Payments by Indians on construction costs deferred under Leavitt Act of July 1, 1932 (47 Stat. 564).³ Prepaid from Colorado River development fund and contributed funds.⁴ Construction costs amount repaid with interest.⁵ Includes \$1,669,000 of interest during construction.⁶ Includes \$359,000 of interest during construction.⁷ Includes \$1,500 of interest during construction.

DOLORES PROJECT—COST ALLOCATION AND REPAYMENT ANALYSIS

[1967 price levels. In thousands of dollars]

	Construction costs	Interest during construction ¹	Annual O.M. & R. costs
Reimbursable costs:			
Irrigation.....	45,259.8	-----	138.9
M. & I. water.....	2,393.5	182.8	3.0
Water quality.....	183.3	14.0	.3
Recreation and fish and wildlife.....	690.2	41.3	16.3
Subtotal.....	48,526.8	238.1	158.5
Nonreimbursable costs:			
Irrigation.....	-----	3,312.5	-----
Recreation and fish and wildlife.....	4,357.8	282.5	31.5
Flood control.....	458.1	34.0	2.2
Subtotal.....	4,815.9	3,629.0	33.7
Cost not allocated ²	507.3	-----	-----
Total.....	53,850.0	3,867.1	192.2
Repayment of reimbursable costs, 50 years:			
Irrigation:			
Irrigators:			
Non-Indian.....	5,956.8	-----	133.3
Indian ³	248.2	-----	5.6
Ad valorem taxes.....	1,424.6	-----	-----
Upper Colorado River Basin fund.....	37,630.2	-----	-----
Subtotal.....	45,259.8	-----	-----
M. & I. water: Water users.....	2,576.8	196.8	3.3
Recreation and fish and wildlife, non-Federal interests.....	690.2	41.3	16.3
Total.....	48,526.8	238.1	158.5

¹ Reimbursable interest during construction computed at 3.222 percent and nonreimbursable interest at 3.125 percent.² CROF \$474,600 and contributed funds \$32,700.³ Payments by Indians on construction costs deferred under the Leavitt Act of July 1, 1932 (47 Stat. 564).

DALLAS CREEK PROJECT—COST ALLOCATION AND REPAYMENT ANALYSIS

[1967 price levels. In thousands of dollars]

	Construction costs	Interest during construction ¹	Annual O.M. & R. costs
Reimbursable costs:			
Irrigation.....	30,380	-----	75.9
M. & I. water.....	5,377	343	7.0
Recreation and fish and wildlife.....	797	9	88.1
Subtotal.....	36,554	352	171.0
Nonreimbursable costs:			
Irrigation.....	-----	1,239	-----
Recreation and fish and wildlife.....	4,609	223	10.0
Flood control.....	229	13	2.0
Subtotal.....	4,838	1,475	12.0
Cost not allocated:			
Investigations from nonreimbursable CRD fund.....	336	-----	-----
Excess costs of road relocation.....	582	-----	-----
Subtotal.....	918	-----	-----
Total.....	42,310	1,827	183.0
Repayment of reimbursable costs, 50 years:			
Irrigation:			
Irrigators.....	3,005	-----	75.9
Ad valorem taxes.....	2,496	-----	-----
Upper Colorado River Basin fund.....	24,879	-----	-----
Subtotal.....	30,380	-----	75.9
M. & I. water: Water users.....	5,377	343	7.0
Recreation and fish and wildlife, non-Federal interests.....	797	9	88.1
Total.....	36,554	352	171.0

¹ Reimbursable interest during construction computed at 3.222 percent and nonreimbursable interest at 3.125 percent.

WEST DIVIDE PROJECT—COST ALLOCATION AND REPAYMENT ANALYSIS

[1967 price levels. In thousands of dollars]

	Construction costs	Interest during construction ¹	Annual OM&R costs
Reimbursable costs:			
Irrigation.....	73,047	-----	79.5
M. & I. water:			
High quality.....	22,188	1,533	10.1
Low quality.....	7,997	632	4.2
Subtotal.....	103,232	2,165	93.8
Nonreimbursable costs:			
Irrigation.....	-----	5,870	-----
Recreation and fish and wildlife.....	3,048	233	2.2
Flood control.....	300	27	1.8
Subtotal.....	3,348	6,130	4.0
Total.....	106,580	8,295	97.8
Repayment of reimbursable costs, 50 years:			
Irrigation:			
Irrigators.....	11,625	-----	79.5
Ad valorem taxes.....	4,959	-----	-----
Upper Colorado River Basin fund.....	56,208	-----	-----
Prepayment ²	255	-----	-----
Subtotal.....	73,047	-----	79.5
M. & I. water—Water users:			
High quality.....	22,083	1,533	10.1
Low quality.....	7,997	632	4.2
Prepayment ²	105	-----	-----
Subtotal.....	30,185	2,165	14.3
Total.....	103,232	2,165	93.8

¹ Reimbursable interest during construction computed at 3.222 percent and nonreimbursable interest at 3.125 percent.² Prepaid from Colorado River development fund and contributed funds.

SAN MIGUEL PROJECT—COST ALLOCATION AND REPAYMENT ANALYSIS

[1967 price levels. In thousands of dollars]

	Construction costs	Interest during construction ¹	Annual O.M. & R. costs
Reimbursable costs:			
Irrigation.....	56,000	-----	125.1
M. & I. water.....	11,851	584	25.5
Recreation and fish and wildlife.....	549	10	31.9
Subtotal.....	68,400	594	182.5
Nonreimbursable costs:			
Irrigation.....	-----	2,917	-----
Recreation and fish and wildlife.....	3,612	157	4.5
Flood control.....	1,128	54	3.2
Subtotal.....	4,740	3,128	7.7
Total.....	73,140	3,722	190.2
Repayment of reimbursable costs, 50 years:			
Irrigation:			
Irrigators.....	4,845	-----	125.1
Ad valorem taxes.....	587	-----	-----
Upper Colorado River Basin fund.....	50,251	-----	-----
Prepayment ²	317	-----	-----
Subtotal.....	56,000	-----	125.1
M. & I. water:			
Water users.....	11,784	584	25.5
Prepayment ²	67	-----	-----
Recreation and fish and wildlife, non-Federal interests.....	549	10	31.9
Total.....	68,400	594	182.5

¹ Reimbursable interest during construction computed at 3.222 percent and nonreimbursable interest at 3.125 percent.² Prepaid from Colorado River development fund and contributed funds.**XII. SECTION-BY-SECTION ANALYSIS****TITLE I—COLORADO RIVER PROJECTS: OBJECTIVES***Section 101*

This Section provides that the Act may be cited as the "Colorado River Basin Project Act."

Section 102

Section 102 states a dual purpose: (1) to provide for the comprehensive development of the water resources of the Colorado River Basin, and (2) to provide additional and adequate water supplies in both the upper and lower Colorado River Basins. The Secretary of the Interior is directed to develop a regional water plan that will serve as a framework for coordinating the construction of all projects in the basin under a time schedule that will assure an adequate supply of water for all of them.

TITLE II—INVESTIGATIONS AND PLANNING*Section 201*

Section 201 directs the Water Resources Council to establish standards and procedures (1) for estimating both the long-range water supplies of the basin and the water needs of the basin, (2) for investigating methods of supplying water to meet basin needs, either directly or by exchange, (3) for investigating means of maintaining water quality in the basin, (4) for investigating means for providing prudent conservation practices in the basin, and (5) for investigating the long-

range water supply of areas from which water could be imported into the Colorado River system, and probable water needs of such areas.

The Secretary of the Interior is directed to undertake such investigations in accordance with the standards and procedures established by the Water Resources Council. He is also directed to prepare reconnaissance reports on all matters investigated, and to submit the reports to the President and the Congress not later than June 30, 1973, but he may not include in a report a recommendation for inter-basin transfers of water without the approval of the States affected. He is further directed to prepare a feasibility report on a plan which shows the most economical means of augmenting the water supply of the Colorado River below Lee Ferry by $2\frac{1}{2}$ million acre-feet annually, i.e., increasing the supply of the river by that amount of water which is in addition to the natural supply of the Colorado River system. If that plan involves an inter-basin diversion, no recommendation may be included in the feasibility report unless the States affected approve, and the feasibility report must include provisions for protecting the interests of the areas of origin. This report and comments of affected states and appropriate Federal agencies must be submitted to the Congress not later than Jan. 1, 1975.

It is the purpose of this section to provide for the assembly of all relevant facts in order that they may be evaluated by the Congress. The prohibition against Secretarial recommendation, in either a reconnaissance or feasibility-grade report, of an inter-basin diversion without approval of the States concerned is intended to assure Congressional consideration of all relevant facts without prejudgment by the Executive Branch. It is important, however, that Congress have all of the facts.

As fully discussed hereinbefore in Parts III and VII of this report, the Committee believes that augmentation of the flow of the Colorado River by some means is essential to the success of the Central Arizona Project and to the continued economic wellbeing of the Southwest.

The significance of the 2.5 million acre-feet figure is that the flow of the mainstream Colorado River below Lee Ferry must be augmented by that amount of water in order for the Lower Basin States to be assured of getting the full 7.5 million acre-feet of mainstream water apportioned to them by the Colorado River Compact, when Upper Basin depletions reduce the flow at Lee Ferry to the allowable annual average of 7.5 million acre-feet.

Section 202

Section 202 deals with the Mexican Treaty water burden from Colorado River and is a key provision in this legislation. It declares that satisfaction of the requirements of the Treaty constitutes a national obligation which shall be the first priority of any augmentation program.

The Mexican Treaty was entered into in 1944 by the Federal government as part of a settlement also involving the Rio Grande River and in the interest of international comity. This burden was imposed on the water supply of the Colorado River and is, in the opinion of the Committee, properly a national obligation. Justification for the Committee's position is discussed in Part VIII of this report.

The language of Section 202 provides that both the Upper Basin and the Lower Basin are relieved of the obligation imposed by Article

III(c) of the Colorado River Compact, which covers deliveries of water to Mexico, but only at such time as the Secretary determines and proclaims that means are available and are in operation capable of delivering annually into the Colorado River or its tributaries sufficient water to satisfy the Mexican Treaty water requirements together with associated losses. The studies to determine the means of supplying this water are provided in Section 201, but the necessary works cannot be undertaken until authorized by the Congress.

Section 203

Section 203 protects the States or areas of origin in the event a plan is prepared for inter-basin diversions into the Colorado River system. The Secretary is directed to include in the plan provisions that assure water supplies that are adequate to satisfy the ultimate requirements of the areas of origin at prices that are not affected adversely by the exportation of water to the Colorado River. For example, if the exportation of water caused the potential water users in the areas of origin to look to more expensive sources or methods of supply, the additional cost would have to be met either from one of the two development funds established in the Colorado River Basin or from other Federal revenues.

The section also protects the areas of origin by giving their future requirements for water a priority in perpetuity over the users of waters that are diverted from the basin, even though the diverted waters are put to a prior consumptive use.

Section 204

Section 204 requires annual reports to be made covering the progress made on the investigations and reports authorized by the bill.

Section 205

Section 205 authorizes the appropriation of the funds that are necessary to carry out the provisions of Title II.

TITLE III—AUTHORIZED UNITS: PROTECTION OF EXISTING USES

Section 301

Subsection (a) authorizes the construction of the Central Arizona Project including the Hooker dam and reservoir in New Mexico or suitable alternative. The elements of the Project have been described in Part X of this report.

The Hooker dam project is included in this legislation to provide the storage necessary for downstream flood protection and to permit New Mexico to use at least 18,000 acre-feet of water over and above the amount in the decree in *Arizona v. California*. The present Hooker dam plan is based on reconnaissance studies many years old. The studies need to be up-dated giving consideration to all new and pertinent information presented during the Committee's hearings. The flexibility needed for modifying the plan on the basis of the further studies is provided by the inclusion in the legislation of the words "or suitable alternative" following the language which authorizes Hooker dam and reservoir. In restudying this feature, the Secretary should give consideration to all the usual factors that go into determining the most feasible development. In this instance, particular attention should be given to the matter of water loss due to

evaporation and the fact that the present proposal involves a minor intrusion into the Gila wilderness area.

Subsections (b) and (c) establish a shortage formula which assures California 4.4 million acre-feet ahead of the Central Arizona Project in any year in which the water supply of the Colorado River is not adequate to provide 7.5 m.a.f. of mainstream consumptive use in the Lower Basin and to satisfy the Mexican Treaty obligation. This formula applies to all uses in Arizona, California, and Nevada under present perfected rights (which means rights existing as of June 25, 1929, the effective date of the Boulder Canyon Project Act), under existing contracts with the United States, and existing Federal Reservation rights.

In any year in which there is insufficient main stream Colorado River water available to satisfy annual consumptive use of 7,500,000 acre-feet in Arizona, California, and Nevada, diversions for the Central Arizona Project shall be so limited as to assure the availability of water to meet present perfected rights and other uses in Arizona, California, and Nevada, including existing Federal reservations, with a limitation of 4,400,000 acre-feet on California uses. Water users in the State of Nevada will not have to bear shortages in any proportion greater than would have been imposed in the absence of this section. The relative priorities, among themselves, of the water users in the three States whose rights are senior to diversions for the Central Arizona unit will not be affected by the provisions of this section.

The effect of the limitation on California imposed by section 4(a) of the Boulder Canyon Project Act is to require California to bear the first impact of any shortage which reduces the water supply from the main stream of the Colorado River for the three States to 7.5 million acre-feet. There are existing projects in California designed and built to use 5.4 million acre-feet in anticipation of the availability of 1 million acre-feet of surplus water, and the projects have actually used 5.1 million acre-feet. Thus, California would have to give up 700,000 acre-feet of existing uses when the main stream supply shrinks to 7.5 million acre-feet, and Arizona and Nevada require their full decreed rights. The effect of this section of the legislation is that if the supply of main stream water drops below 7.5 million acre-feet, the next impact of shortage will have to be borne by the Central Arizona Project. Under this condition diversions for the Central Arizona Project would have to be reduced to the extent necessary to assure the availability of water for use in Arizona, California, and Nevada by holders of present perfected rights and for meeting commitments to other users served under existing contracts with the United States, with the protection to California limited, however, to 4.4 million acre-feet.

The provisions in subsection (b) have the effect of implementing Article II B(3) of the decree of the Supreme Court in *Arizona v. California* which deals with shortages in the 7.5 million acre-feet apportioned by the Supreme Court. Article II B(3) directs the Secretary to first satisfy perfected rights and to allocate the remaining available water in accordance with applicable law. This section writes the applicable law which the Secretary would have to follow.

Under the provisions of subsection (c) the limitation on the Central Arizona Project diversions stated in subsection (b) will be inapplicable in any year that the Secretary determines and proclaims that

means are available and in operation to augment the water supply of the Colorado River System so as to provide annual consumptive use of 7.5 million acre-feet of mainstream water to Arizona, California, and Nevada users.

A priority for present California uses, up to 4.4 million acre-feet per year, over new uses for the Central Arizona Project, has been one of the major stumbling blocks in this and prior bills. If the flow of the River is eventually augmented, as a result of the studies authorized in Title II, the problem will become academic. If the augmentation does not occur, however, the decreased amount of water estimated to be in the River for use in the Lower Basin will curtail the water supply for the Central Arizona Project.

Section 302

Section 302 provides for the acquisition of the Indian lands or interests therein that are needed for the Orme dam and reservoir. The acquisition will be by negotiated agreement, if possible; otherwise, it will be by condemnation. The Indians will be paid the fair market value of the lands or interests acquired.

The section permits the Secretary of the Interior to acquire either fee title to a tract of land or an easement in the land, whichever is needed.

The value of the land is estimated to be between \$1,000 and \$2,000 per acre. On the basis of a possible taking up to 15,000 acres, the estimated maximum cost would be \$30,000,000. The actual cost could, of course, be less than half this amount. There are about 300 persons in the Tribe, including both adults and children, who will receive the benefit of the payment.

In addition to payment of the full value of the land or easement acquired, the section provides for the following special benefits:

(1) The Secretary of the Interior is directed to add to the Fort McDowell Reservation 2500 acres of Federal land in the vicinity of the Reservation that are under the jurisdiction of the Secretary of the Interior. This land has a lower estimated value per acre than the land to be taken by the government. The 2500 acres are now in the Tonto National Forest, but will be transferred to the Department of the Interior for this purpose by public land order. The Secretary of the Interior will provide substitute lands for the Forest Service by exchanging public lands for inholdings in the various Arizona National Forests and transferring the exchanged lands to the Secretary of Agriculture.

The 2500 acres are to be added to the Indian reservation because the Federal taking for the Orme dam and reservoir will involve between 12,000 and 15,000 acres, out of a reservation of 24,680 acres. Some substitute lands are needed to maintain an adequate land base for the reservation.

(2) The Indians will retain the right to use the land taken by the United States, or to lease it, for any purpose that is not inconsistent with the operation of the Federal project. This will permit use of the land for grazing, for example, when it is not actually under water. It will also permit the extraction of minerals, if any, to the extent operation of the Federal project will not be impaired. There are no known mineral values that could be extracted. The value of the mineral right retained by the Indians will be reflected in the appraisal of the

land taken by the United States, but the value of the other use rights will not be considered in the appraisal.

(3) The Secretary of the Interior is directed to offer not to exceed \$500,000 toward the cost of relocating or replacing the improvements on the Fort McDowell reservation. The entire community will be required to move. The improvements consist of 53 homes with an estimated value ranging from \$0 to \$12,000, one tribal community building, one office building, and a water system. The latter have an estimated value of \$15,000 each. The payment for replacing a home may not exceed the difference between the value of the present structure and \$8,000, which is considered to be the minimum cost of an acceptable replacement home. If \$8,000 were allowed for the replacement of all 53 homes, which is not expected to happen, a total of \$424,000 would be used, leaving \$76,000 for replacement of the community building, office building, and water system. If more costly replacements are desired by the Indians, they should provide the funds from the purchase price paid for the land taken by the government.

(4) Each of the Indian communities involved will be permitted to develop and operate recreational facilities on the Federal lands along the shoreline of the Orme Reservoir that are located on or adjacent to its reservation. Such development must be in accordance with regulations and conditions prescribed by the Secretary of the Interior, but will not be subject to the Federal Water Projects Recreation Act. (See sec. 308.)

Precedent for the foregoing special benefits is found in prior legislation providing for Federal acquisition of reservation lands needed for the Tock's Island dam project, the Oahe dam project, the Fort Randall dam project, and the Big Bend dam project. In each instance, substantial sums were provided, in addition to the fair market value of the land, as compensation for indirect damages sustained by the Indians, and for rehabilitation purposes.

The Committee believes that the special benefits provided by section 302 are reasonable and are comparable to the benefits provided for other Indian tribes.

Section 303

Section 303 directs the Secretary to continue studies and complete a plan for supplying the power requirements of the Central Arizona Project and for augmenting the Lower Colorado River Basin Fund, but such plan cannot include main stream dams on the Colorado River. The plan must be submitted to the Congress within one year after the date of this Act and, except as provided in subsection (b) of this section, it will not become effective until approved by Congress.

If included in the recommended plan, the Secretary may enter into a contract with non-Federal interests who propose to construct and own a large thermal generating power plant, under which the United States will acquire the right to the portion of the plant capacity that is needed for the Central Arizona project, estimated to be about 400 megawatts for a 2,500 cfs canal. During intermittent periods, when such power and energy are not needed for the Central Arizona Project, the Secretary may dispose of this excess power and energy at such prices as he may determine, including its marketing in conjunction with other power and energy from the Federal Colorado River System.

Under the contract, the United States will pay a portion of the construction cost based on the ratio of the plant capacity purchased by the United States to the total plant capacity. The Federal share of preconstruction costs may be made available as needed, but the Federal share of construction costs may be made available only after adequate contracts, as determined by the Secretary, have been entered into between all affected parties with respect to the construction and operation of the plant. The United States will also pay a fair share of the operation and maintenance costs, and will be given credit for the value of any interest in Federal land made available for the plant.

The proposed thermal generating powerplant will require access across and use of Federal lands for plant facilities and appurtenances and transmission lines interconnecting said plant with the project pumping plants and with the load centers of the participating non-Federal interests and customers of such non-Federal interests. The construction and operation of the thermal generating power plant is of benefit to the United States and the Committee expects that, in accordance with principles of sound land management, such access rights and use of Federal lands will be granted by the Federal agencies responsible for the administration of such lands expeditiously and without conditions not directly related to the project or with the administration of the lands so occupied so as to advance the timely construction and operation of such facilities. The United States, of course, should receive appropriate payment for the interest in Federal lands so made available.

Water for the plant, if diverted above Lee Ferry for use in Arizona, will be a charge against the 50,000 acre-feet per year entitlement which Arizona has as a State of the Upper Basin under the Upper Colorado River Basin Compact.

Section 304

Section 304 provides that Central Arizona Project water will not be made available for the irrigation of lands unless the lands have a recent irrigation history, as determined by the Secretary. This prohibition does not apply to Indian land, to national wildlife refuges, or, in the discretion of the Secretary, to State-administered wildlife areas.

Central Arizona Project water may, if the Secretary deems desirable, be supplied for irrigation, municipal, and industrial uses pursuant to master contracts with organizations that have power to levy assessments against taxable real property within their boundaries. The contracts between such organizations and water users will be subject to Secretarial approval.

Repayment contracts and water delivery contracts under Sections 9(d) and 9(e) of the Reclamation Projects Act of 1939 may be for a basic term of not more than 50 years, and may provide for the use of irrigation water for municipal and industrial purposes when it is not needed for irrigation purposes.

Central Arizona Project contracts for municipal and industrial water may be made without regard to the last sentence of Section 9(c) of the Reclamation Projects Act of 1939, which permits such contracts only if they will not impair the efficiency of the project for irrigation use.

Central Arizona Project contracts must control expansion of irrigation from aquifers affected by irrigation in the contract service area,

prevent excess conveyance losses in canals, and prohibit pumping ground water from within the service area to a point outside the service area unless surplus ground water exists and drainage is required.

Central Arizona Project contracts may require a contractor to accept main stream water in exchange for or in replacement of other supplies. In times of shortage, however, contractors who have yielded water from other sources in exchange for main stream water will have a priority over other main stream users to the extent of the quantities of water yielded.

The committee recognizes that certain water rights on the Salt and Gila River systems, with which exchanges are contemplated, have never been adjudicated as to their legality and their dates of priority in relation to the rights of other water users. It is anticipated that a complete adjudication of all such rights will be effected before valid and meaningful exchange arrangements may be negotiated between the Secretary and the prospective upstream beneficiaries of exchange agreements.

The Secretary may, by contract, permit the consumptive use in New Mexico of not to exceed an average of 18,000 acre-feet per year of water from the Gila River. Such use will be in addition to the New Mexico entitlement to Gila River water under *Arizona v. California*, and will be charged to the Arizona entitlement of 2.8 million acre-feet of Colorado River water. Such use will be permitted however, only as long as other Colorado River water is available in sufficient quantities to replace any diminution of supply in Arizona resulting from diversions from the Gila in New Mexico.

When, through augmentation, water is available from the main stream of the Colorado River to permit consumptive uses in Arizona in excess of 2.8 million acre-feet per year, the Secretary may, to the extent of the excess, permit the additional use in New Mexico of an average of 30,000 acre-feet per year from Gila River water.

Both the 18,000 and the 30,000 acre-feet uses in New Mexico, if they should materialize, would be junior to all existing rights to Gila River water. In both cases the diminished water supply for use in Arizona that is caused by the diversions from the Gila in New Mexico would be replaced by Colorado River water. The 18,000 acre-feet would come out of the Arizona entitlement from the mainstream of the Colorado River, while the 30,000 acre-feet would come from the augmented water supply in the River only after 2.8 million acre-feet is made available for consumptive use in Arizona to provide for both exchanges.

Section 305

Section 305 provides that if the flow of the Colorado River is augmented in order to make possible the annual consumptive use of 2.8 million acre-feet in Arizona, 4.4 million acre-feet in California, and 300,000 acre-feet in Nevada, the water made available by augmentation, within the limits of the figures mentioned, will be furnished to users at the same cost and on the same terms that would have applied if mainstream water had been available. This cost provision is limited to the extent the deficiencies can be offset by the financial assistance available from the development fund established by Section 403 after taking into account a nonreimbursable allocation to the replenishment of deficiencies occasioned by satisfaction of the Mexican Treaty burden.

Section 306

Section 306 directs the Secretary to undertake programs for water salvage and ground water recovery along the main stream of the Colorado River, to the extent they are reasonably consistent with the maintenance of fish and wildlife habitat in the area.

Section 307

This section reauthorizes the Dixie Project in Utah and provides for its financial integration into the Colorado River Basin Project. Changes in the Dixie Project plan of development have resulted in increased costs, and the appropriation authorization for the project is therefore increased by this section from \$42,700,000 to \$58,000,000. Financial integration of the project into the Colorado River Basin Project will permit it to participate in the Lower Colorado River Basin Development Fund established by Title IV.

Section 308

This section provides for the conservation and development of fish and wildlife resources and for the development of recreational opportunities in accordance with the Federal Water Projects Recreation Act. This is a standard provision carried in all recent water project authorizations. The recreation development by the Fort McDowell Indians authorized in Section 302, is exempt from the provisions of this section.

Section 309

This section limits the appropriation authorization for construction of the Central Arizona Project to \$779,000,000, subject to adjustment to reflect changes in price indices. This amount includes prepayment for entitlement to electric plant capacity and for entitlement to related transmission capacities. The appropriation authorization for construction of distribution and drainage facilities for non-Indian lands is limited to \$100,000,000. The latter appropriation and the revenues from the operation of the distribution and drainage facilities will not be credited to the Lower Colorado River Basin Fund since these facilities, if constructed or financed by the Federal government, will be handled by separate contracts on a fully reimbursable basis.

TITLE IV—LOWER RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS: CONTRACTS

Section 401

This section requires the cost of constructing each Lower Basin unit of the Project, upon completion, to be allocated to the multiple purposes served by the Project. Allocation will be in accordance with Federal Reclamation Laws and the Federal Water Projects Recreation Act, except that costs allocated to recreation and fish and wildlife enhancement for the Dixie Project are made nonreimbursable as provided in the original Dixie Project authorization Act. In addition, an appropriate portion of the total construction cost is to be allocated to the replenishment of the Colorado River flows required in performance of the Mexican Water Treaty. These replenishment costs, including also operation and maintenance expenses, are made nonreimbursable because the cost of performing the Mexican Water Treaty is made a national obligation by Section 202. The Treaty costs

include replenishment of those losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary which are associated with the Treaty obligation. It should be understood that these replenishment costs are, in fact, the costs of augmenting the Colorado River by an amount necessary to satisfy the Treaty obligation. Thus, any allocation under this authority must await the authorization of augmentation works by the Congress and the construction of such works.

Section 402

This section provides that the costs allocated to the irrigation of Indian lands, and which are beyond the repayment capability of the lands, will be nonreimbursable. Costs that are within the repayment capability of the lands are reimbursable, but collection is deferred as long as the land remain in Indian ownership in accordance with the provisions of the Leavitt Act. The Leavitt Act applies automatically to all strictly Indian projects, but must be made applicable by specific provision when Indian lands are irrigated by a non-Indian irrigation project.

Section 403

This section establishes a Lower Colorado River Basin Fund into which will be paid:

(1) All appropriations for the Central Arizona Project and the Dixie Project as authorized by Title III;

(2) All revenues from the operation of the Central Arizona Project and the Dixie Project (except entrance and recreation user fees, which will continue to be governed by existing law), including revenues after payout of the projects;

(3) All revenues from the Boulder Canyon and Parker-Davis Projects which are surplus, after repayment obligations of these projects have been met. In lieu-of-tax payments of \$300,000 to each of the States of Arizona and Nevada are required to be continued, however, as long as revenues accrue from operation of the Boulder Canyon Project. Without this provision the payments would terminate in 1987;

(4) All revenues from the portion of the Pacific Northwest-Pacific Southwest intertie located in Nevada and Arizona which are surplus, after applicable repayment obligations have been met.

Appropriations for construction of the Central Arizona Project and the Dixie Project that are credited to the fund are to be used for that purpose. Other revenues credited to the fund, however, may not be used for construction of the Central Arizona Project or any other project until approved by Congress.

Revenues in the fund derived from the Central Arizona Project and the Dixie Project and the surplus revenues in the fund derived from the portion of the intertie in Nevada and Arizona, and the surplus revenues in the fund derived from the sale of Boulder Canyon and Parker-Davis power and energy for use in Arizona, may be used without further appropriation (1) for operation and maintenance of the Central Arizona Project and the Dixie Project (subject to any limitation that may be imposed by annual appropriation Acts), and (2) for payment to water users in Arizona to compensate them for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, caused by exchanges of water between

users in Arizona and New Mexico under Section 304(f), which relates to the diversion of 18,000 acre-feet of Gila River water in New Mexico. This latter payment is not expected to exceed \$5,000 annually.

The revenues referred to in the preceding paragraph that are not used for the two purposes specified must be transferred annually, pursuant to subsection (f), to the General Fund of the Treasury to the extent they are needed to return within 50 years, exclusive of any authorized development period, the costs of the Central Arizona Project and the Dixie Project that are allocated to irrigation, commercial power, or municipal and industrial water supply, plus interest on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the projects. However, in the case of the Dixie Project, repayment, to the extent it is not covered by Dixie Project revenues, shall be made only after payout of the Central Arizona Project. The Dixie Project costs, which exceed Dixie Project revenues, also may be repaid pursuant to subsection (g) of this section.

In accordance with subsection (g), all revenues in the fund that are not used or usable in the manner explained in the preceding two paragraphs will be available, without further appropriation, to reimburse the Upper Colorado River Basin Fund as required by Section 502, and, if needed, to help finance the Dixie Project (see Section 307), and, upon appropriation by Congress, to assist in the repayment of reimbursable costs incurred in connection with future projects to augment the water supplies of the Colorado River.

A financially sound development fund is critical to the success of an augmentation program and to resolution of the controversy over the sharing of water shortages in the Lower Basin. Notwithstanding the nonreimbursable allocation to the Mexican Water Treaty, a substantial amount of money will be required in the development fund to provide the financial assistance necessary to assure that augmentation water required to provide the full 7.5 million acre-feet apportioned among the Lower Basin States by the United States Supreme Court in *Arizona v. California* will be available at the same costs as the natural supply of the Colorado River. Unless this is accomplished, augmentation would do no more than shift the controversy from a struggle over who must bear the shortage to one of who must stand the cost of the augmentation water.

The interest rate required by this section will be based on the average rate payable by the Treasury on outstanding fifteen year or longer obligations; i.e., the coupon rate rather than the yield rate. This is the formula used by Congress in most water resource projects authorized in recent years.

Business-type budgets are required to be submitted to Congress annually for all operations financed from the fund.

Section 404

This section requires the Secretary to submit to Congress on a fiscal year basis reports showing the status of the cost of constructing, operating, and maintaining each Lower Basin project and unit and the status of revenues received. The report must show the investment allocated to each purpose, the up-to-date status of repayment, and the estimated return necessary to accomplish full repayment under the provisions of this Act.

TITLE V—UPPER COLORADO RIVER BASIN AUTHORIZATIONS AND REIMBURSEMENTS

Section 501

This section authorizes the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel projects in the Upper Colorado River Basin as participating projects under the Colorado River Storage Project Act. The five projects will cost a total of \$392,000,000 and are briefly described in Part X of this report. It also conditionally authorizes the Uintah unit of the Central Utah Project, subject to submission of a planning report to the Congress, certification as to its physical and financial feasibility, and authorization of appropriations for its construction.

This section also deletes, adds, and changes the nomenclature of certain projects in the planning section of the Colorado River Storage Project Act, with a deadline set for completion of the planning report for the Ute Indian Unit in Utah.

The Secretary is directed to proceed with the construction of the five projects authorized for the Upper Basin under a time schedule that will permit them to be completed by the time water is first delivered from the Central Arizona Project, but an appropriate repayment contract must be executed before construction on a project may commence. Furthermore, the Animas-La Plata project may not be started until Colorado and New Mexico have ratified a compact which makes the right to divert and store in Colorado and New Mexico project water for use in New Mexico, equal in priority to the right to use project water in Colorado, provided the New Mexico uses are within the New Mexico entitlement under the Upper Colorado River Basin Compact. The consent of Congress is given to the compact, the language of which is set out in this section.

The 160-acre excess lands provision of the Federal Reclamation Laws is modified to mean 160 acres of Class 1 land or the equivalent in other land classes, insofar as the five Upper Basin projects and the Seedskaadee project (already authorized) are concerned.

In the administration of projects authorized by this Act or by the Colorado River Storage Project Act that are within or for the sole benefit of Colorado, the Secretary is required to comply with the laws of Colorado with respect to priority of appropriation and with respect to Federal and State Court decrees entered pursuant to such laws, in the diversion and storage of water. The Committee understands this requirement to mean that diversion and storage rights for these projects will be junior to existing rights recognized under Colorado law. This is merely a reaffirmation of the rule of law that would apply in any event. The Secretary is also directed to obtain the approval of the State of Colorado to any operating principles he may decide to adopt for these projects. The Secretary is not required, however, to adopt any operating principles. The Committee does not intend this language to interfere with the executive discretion of the Secretary in contracting for the sale and distribution of water.

Subsection (f) has been included in the legislation in order to give congressional interpretation to the meaning of the words "any western slope appropriations" that appear in paragraph (i) of the section of Senate Document No. 80, 75th Congress, 1st session, entitled "Manner of Operation of Project Facilities and Auxiliary Features." The

meaning of these words which this subsection approves is the same as that approved by the Colorado Water Conservation Board. The section of Senate Document No. 80 referred to provides for three principal water components of the Colorado—Big Thompson Federal reclamation project; namely, for diversion of water to the eastern slope of Colorado, for storage of replacement water, and for storage of water for use in western Colorado. The replacement water (52,000 acre-feet) and water for use in western Colorado (100,000 acre-feet) are stored in Green Mountain Reservoir in western Colorado.

The last sentence of paragraph (g) of the particular section of Senate Document No. 80 in question says:

The 100,000 acre-feet of storage in said reservoir shall be considered to have the same date of priority of appropriation as that for water diverted or stored for trans-mountain diversion.

This quoted sentence is subsequently qualified by paragraph (i) of the same section which, with reference to the Colorado River Compact, states, in part, as follows:

Notwithstanding the relative priorities specified in paragraph (g) herein, if an obligation is created under said compact to augment the supply of water from the State of Colorado to satisfy the provisions of said compact, the diversion for the benefit of the eastern slope shall be discontinued in advance of any western slope appropriations.

The Committee was informed that there has been considerable misunderstanding within the State of Colorado as to the effect of the additional projects herein authorized when viewed in the light of the above-quoted provisions of Senate Document No. 80. Although the misunderstandings may be less real than they appear, the Committee agrees to resolving the matter by approving the interpretation of the words "any western slope appropriations" to mean and refer to the appropriation heretofore made for storage in Green Mountain Reservoir on the western slope of Colorado. It is the view of the Committee that any other interpretation would interfere with water rights vested by law in prior appropriators, and that the approved interpretation defines and observes the purpose of said paragraph (i) of Senate Document No. 80, and does not, in any way, affect or alter any rights or obligations arising under Senate Document No. 80 or under the laws of the State of Colorado.

Section 502

Section 502 deals with the financial problems created by the filling of Lake Powell and the resulting impairment of firm power production at Hoover Dam. Substantial payments have already been made out of the Upper Colorado River Basin Fund to compensate Hoover Dam power contractors for deficiencies in power generation at Hoover Dam and additional payments may have to be made in the future under the Glen Canyon filling criteria.

Section 502 provides for the repayment of actual money expended heretofore or hereafter out of the Upper Colorado River Basin fund, pursuant to the 1962 Glen Canyon filling criteria. This is to be accomplished by transferring \$500,000 each year to the Upper Basin Fund from the Colorado River Development Fund created by the Boulder

Canyon Project Adjustment Act of 1940, commencing with the enactment of this Act. This 1940 Fund now receives \$500,000 per year from Hoover Dam power revenues earmarked for use in the construction of projects and will continue to do so under existing law until 1987. The effect of section 502 is to earmark that same amount (\$500,000) for transfer to the Upper Basin Fund instead. If any deficit in reimbursement of the Upper Colorado River Basin Fund exists after 1987 the remaining deficiency is to be paid out of the new Lower Colorado River Basin Development Fund which is established by Title IV of this Act.

TITLE VI—GENERAL PROVISIONS: DEFINITIONS: CONDITIONS

Long and arduous negotiations preceded the adoption of the language in Title VI relating to the reservoir operating criteria for Hoover and Glen Canyon dams. These negotiations involved interests in the three Lower Division States and the four Upper Division States of the Colorado River Basin in consultation with technical and legal representatives of the Department of the Interior. The agreement reached is a step toward finally settling the disputes which have existed between the two basins, and constitutes an Act of statesmanship which is to be highly commended.

The language expressed in Title VI, in the opinion of the Committee, constitutes a fair and reasonable solution to the problem of protecting the future water resource development of the four Upper Division States, and also providing for the use of the water in the Lower Division States until the water is required upstream. This should result in the greatest beneficial use of the available water.

Section 601

This section disclaims any intention to change in any way the Colorado River Compact, the Upper Colorado River Basin Compact, the Mexican Water Treaty, or the Supreme Court decision in *Arizona v. California*. Likewise, except as provided in this legislation, there is no intention to change the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, or the Colorado River Storage Project Act.

The Secretary is directed to make reports at five-year intervals showing consumptive uses and losses from the Colorado River system, and to condition all contracts for the delivery of water originating in the drainage basin of the Colorado River upon the availability of water under the Colorado River Compact. While the reports would have to be submitted only every five years, starting October 1, 1970, the information on consumptive uses and losses would be on an annual basis. The importance of this provision is underscored by the fact that the Central Arizona Project will be able to operate at full capacity only by using temporarily water that is apportioned to the Upper Basin but which is presently not used there. As Upper Basin development progresses there will come a time when this water will no longer be available for use in the Lower Basin, and operations of the Central Arizona Project will need to be reduced unless the flow of the river below Lee Ferry is augmented. This time is expected to arrive about 1985 to 1995. The Upper Basin, therefore, insists and is entitled to a clear statement of its right to recapture its waters when needed.

While the Committee hopes that some practical method of augmentation can be found, it is satisfied from the testimony of witnesses

that the Central Arizona Project is economically feasible even if the river flow is not augmented and the Project water supply is ultimately curtailed.

Under the terms of subsection (c) any affected State may institute suit in the United States Supreme Court, and the United States may be joined as a party, in the event that any Federal officer or agency fails to comply with the provisions of the Act or with the laws, treaty, interstate compacts, and court decree named in subsection (a) of this section. The Committee understands that this subsection relates to the storage and release of water from all Federal reservoirs and to the operation and maintenance of all Federal facilities in the Colorado River system, including any Federal works that may be subsequently authorized for construction for the augmentation of the water supply in any part of the Colorado River system from sources outside the drainage area of that system.

Section 602

Storage in Lake Powell is the key to whether the Upper Division States can deliver water at Lee Ferry as required by Articles III(c) and III(d) of the Compact without curtailment of Upper Basin consumptive uses. If there is no water storage in Lake Powell to make the required releases during periods of drought, it is possible that Upper Basin consumptive uses would have to be curtailed in order to discharge the Compact obligations. The greater the storage in Lake Powell, the less likelihood there will be of this happening. On the other hand, if too much water is withheld in Lake Powell on the ground that it is necessary for later discharge of Upper Basin compact obligations the possibility of spill and denial of use in the Lower Basin is increased. The language of Title VI, implementing operations under the Colorado River Compact, is intended to establish a commonsense balance between the right of the Upper Division States to store water to meet future delivery requirements under the Compact and the Lower Basin's right under Article III(e) of the Compact to demand the release of water stored in the Upper Basin to meet Lower Basin consumptive uses.

Section 602 directs the Secretary of the Interior, in consultation with the official representatives of each of the seven Colorado River Basin States and with affected contractual interests, to promulgate equitable criteria for the coordinated long-range operation of reservoirs constructed under the authority of this Act, the Colorado River Storage Project Act, and the Boulder Canyon Project Act. It sets forth the broad objectives to be attained by such criteria and outlines, in broad terms, guiding policies to be followed. It also sets forth specific and detailed provisions to be incorporated in the criteria.

The criteria required by section 602 must be adopted by the Secretary not later than July 1, 1970, and he must report annually, beginning January 1, 1972, to the Congress and to the Governors of the Colorado River Basin States with respect to operation under these adopted criteria. To the extent that it is possible to foresee, reservoir operations under section 602 will not be inconsistent with reservoir operations permitted under the Glen Canyon filling criteria promulgated by the Secretary of the Interior and printed in the Federal Register on July 19, 1962 (27 F.R. 6851). Thus, it is expected that the criteria established pursuant to this section will permit the filling criteria to be continued until terminated at some later date. No change

in the manner of determining deficiencies in Hoover generation during the remainder of the filling period is anticipated, but the matter of payments for such deficiencies will be governed by section 502 of this Act.

With respect to the procedure for establishing the criteria required by subsection (a), it is the intention of the language approved by the Committee that such criteria be prepared and reviewed each year after an exchange of views (1) with State entities designated as official in the field of water resource development either by State law or by the Governor of the State; (2) with representatives of interstate compact commissions primarily concerned with administration of the waters of either the Upper or Lower Basins; and (3) with parties to contracts with the Federal government that may be affected by the criteria.

The section specifies that in the preparation of the reservoir operating criteria, and in their execution, certain priorities shall govern the storage of water in reservoirs of the Colorado River Storage Project and releases of water to the Lower Basin at Glen Canyon Dam. The first priority, set out in clause (1), is for the release of water to satisfy one-half the deficiency in deliveries of water to Mexico as described in Article III(c) of the Colorado River Compact, if such deficiency exists and is chargeable to the Upper Basin States. This priority for releasing water at Glen Canyon Dam shall not apply in any year that the Secretary, pursuant to section 202 of this Act, proclaims that means are available and are in operation capable of delivering annually into the Colorado River or its tributaries sufficient water to satisfy the Mexican Treaty water requirements together with associated losses.

The Committee is fully cognizant of the fact that witnesses from the Upper Basin and from the Lower Basin differed with respect to the impact of the Mexican Treaty water burden on the two basins. The Committee, therefore, realizes that if the river is not augmented to the extent necessary to meet the Treaty requirements the question of the magnitude of the Upper Division States' share of the Mexican Treaty water deficiency burden remains unresolved and may have to be settled by litigation should curtailment of water resource development in the Upper Basin be threatened.

The second priority, set out in clause (2), for release of water from Lake Powell is to deliver at Lee Ferry 75 million acre-feet in every period of 10 consecutive years under Article III(d) of the Colorado River Compact. If the Upper Division States arrange for a delivery of water into the Colorado River below Lee Ferry from sources outside the Colorado River system, this water is to be credited to the States of the Upper Division which then, by exchange, can consume an equal amount of Colorado River water.

A third priority is given to the storage of water to enable the States of the Upper Division to meet their compact obligations without impairing consumptive uses in the Upper Basin. The language in the first part of clause (3) provides that water not required to be released each year to fulfill the priorities relating to the Mexican Treaty burden and delivery of 75 million acre-feet every 10 years shall be stored in Upper Basin reservoirs to the extent that the Secretary shall find to be necessary to assure long-term deliveries of water at Lee Ferry for these same purposes without impairing present or contemplated

consumptive uses of water within the Compact apportionment to the Upper Division States. In determining the extent to which water must be stored for those purposes, the Secretary is required to consult with the Upper Colorado River Commission and representatives of the three Lower Division States and to take into consideration all factors pertinent to an hydrologic analysis of the water supply situation, including historic streamflows, the most critical period for which water records are available, and probabilities of water supply under recognized statistical procedures. This procedure is consistent with the intent of the Colorado River Storage Project Act, and the Committee believes that it can be complied with and still provide the Secretary the necessary latitude in determining the extent of storage reasonably required.

As the Upper Basin depletions increase with time, the controlling critical periods will lengthen and the required amounts of carryover storage will increase. It is recognized that the establishment of requirements for carry-over storage cannot be based on critical period considerations alone, but that probabilities of water supply also must be considered. Also, the production of power and energy is a relevant factor that must be considered if the financial feasibility of Federal developments in the Colorado River Basin is to be assured.

The Committee understands that the language of the proviso in clause (3) establishes specific criteria for the release of water available in excess of Compact III (c) and (d) requirements and water required to be stored as provided in clauses (1), (2), and the first part of (3). Before discussing the operating criteria of clause (3), it should be pointed out that during prolonged periods of low runoff there would be no available excess water and hence these criteria would not be applicable. During periods of high runoff and high storage content the problems of reservoir operation dealt with in clause (3) are not critical and their application would not be of major significance. Thus, it is within the intermediate ranges of runoff and storage content that the criteria specified are particularly meaningful.

The language of the proviso in clause (3) embodies three specific operating criteria. The first listed criterion (i) provides that if water excess to the requirements of clauses (1) and (2) and the first part of (3) is determined to be available, it shall be released from Lake Powell to the extent that it can be reasonably applied in the Lower Division States to the domestic and agricultural uses specified in Article III(e) of the Colorado River Compact, but no such releases of water will be made from Lake Powell when the active storage therein is less than the active storage in Lake Mead.

The second listed criterion (ii) has as its objective the distribution of available excess water in a manner that will equalize as nearly as practicable active storage in Lake Mead and Lake Powell. The Committee believes that the policy, herein established, of maintaining so far as possible equal active storage in Lake Powell and Lake Mead is consistent with good operating practice and is fair and equitable to both the Upper and Lower Basins. The Committee was advised that although there may be conditions where it would be desirable and advantageous to operate over a limited period of time in a manner different than that specified in criterion (ii), particularly when both Lake Powell and Lake Mead have substantial reserves of storage, any problem caused by application of this criterion is not regarded as serious.

The third listed criterion (iii), to avoid spilling water from Lake Powell, is obviously consistent with good river management.

Subsection (c) of section 602 directs that section 7 of the Colorado River Storage Project Act (70 Stat. 109), which relates to power production, be administered in accordance with the criteria set out in this section. This provision is appropriate and necessary, in the view of the Committee, in order to assure consistent power operations at all Federal reservoirs on the Colorado River, and to emphasize the point that the production of hydroelectric energy is a relevant factor that must be considered if the financial feasibility of Federal water resource developments in the Colorado River Basin is to be reasonably assured, as hereinbefore indicated.

The Committee believes that the inclusion of the reservoir operating criteria of section 602 not only will prevent a recurrence of the misunderstandings that were manifest in the basin at the time the Secretary initiated the filling of Colorado River Storage Project reservoirs, but also will constitute a major contribution to more efficient and reasonable river management. The Committee regards the operating criteria of this section as being fully consistent with the terms of the Colorado River Compact, including Article III (e) thereof. The Committee wishes to emphasize that the language in this section is not an attempt to interpret Article III(e) of the Colorado River Compact; it simply places qualifications upon operations under Article III(e). The successful negotiations between Upper and Lower Basin representatives which produced these guidelines for the Secretary to follow in operating Federal reservoirs under Article III (e) in the Colorado River Basin may preclude costly litigation in the future.

Section 603

This section is included in the legislation in order to further protect the rights of the Upper Basin to the consumptive use of water apportioned to it from the Colorado River system by the Colorado River Compact against any claims to the use of that water over either a short-term or long-term by water users in the Lower Colorado River Basin. The Committee wants it to be clearly understood that the right of the Upper Basin States to fully utilize the water apportioned by the Compact to the Upper Basin shall not be diminished, reduced or prejudiced by the temporary use in the Lower Basin of presently apportioned but unused upper basin waters.

Subsection (b) disclaims any intention to change in any way the duties and powers of the Upper Colorado River Commission.

Section 604

Section 604 is a statement of policy that, except as provided in this legislation, the Secretary, in constructing, operating, and maintaining the units of the Colorado River Basin project authorized in this Act or to be authorized as units of said project in subsequent legislation, is governed by general Federal Reclamation Laws, including the excess lands provisions thereof, and that this legislation upon enactment shall be a supplement to the Reclamation Laws.

Section 605

This section makes Part I of the Federal Power Act inapplicable to the Colorado River between Hoover Dam and Glen Canyon Dam unless otherwise provided by Congress. This reserves to the Congress

the ultimate decision concerning the wisest use or combination of uses of the water and land resources of this part of the river. One immediate effect of the section is to preclude the issuance of a FPC license to develop the Marble Canyon or the Hualapai damsites. The Committee feels that, in view of the conflicting interests involved, any decisions with respect to development on this stretch of the river should be made by the Congress rather than the Federal Power Commission.

Section 606

This section defines the terms used in this legislation. Of particular significance is the fact that all terms used in this legislation that are defined in the Colorado River Compact will retain the meanings expressed in the Compact. Also of significance is the definition of "augment" or "augmentation"; these words mean the introduction of new water into the river system which is in addition to the natural supply of the system. The Committee wants it clearly understood that the definitions apply only to the usage of the terms in this legislation.

XIII. DEPARTMENTAL REPORT

The report of the Department of the Interior on H.R. 3300 follows:

U.S. DEPARTMENT OF THE INTERIOR.

OFFICE OF THE SECRETARY,

Washington, D.C., February 15, 1967.

HON. WAYNE N. ASPINALL,

Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for a report on H.R. 3300, a bill to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes.

With two important exceptions, the bill is patterned after H.R. 4671, 89th Congress, which was extensively considered and, with modifications, favorably reported by your Committee on August 11, 1966 (H. Rep. No. 1849, 89th Cong., 2nd sess.). The two differences are: the Marble Canyon unit is eliminated, and the Secretary of the Interior would be directed to make a reconnaissance grade investigation of projects to augment the flow of the main stream Colorado River below Lee Ferry by a minimum of 2,500,000 acre-feet annually, by imports from sources outside the Colorado River Basin. H.R. 4671, as reported, called for a feasibility report as well. References hereafter to H.R. 4671 are, except as otherwise note, to that measure as reported.

The basic objectives of the first four titles of H.R. 3300 are two-fold—to authorize the Central Arizona project thereby enabling Arizona to use its entitlement of Colorado River water, and, at the same time, to lay the framework for a sound and lasting solution for the Colorado River Basin's long-range water supply.

With these objectives, the Department and the Administration are in full accord.

The Administration is committed to the authorization of the Central Arizona project. If the State of Arizona is to put to use its entitlement of Colorado River water as adjudicated by the Supreme Court in *Arizona v. California, et al.*, 373 U.S. 546 (1963), this project must

be built. The Central Arizona Project should be undertaken now in order to slow the pace at which ground water resources in the Central Arizona area are being exhausted.

Similarly, we are in agreement that studies of the long-range water supply problems of the Colorado River basin should now be initiated in order that proposed solutions may be evolved and considered in a timely fashion.

Over the past four months, in concert with the Bureau of the Budget, we have analyzed a wide variety of possible alternative approaches to the basic objectives encompassed in Titles I-IV of H.R. 3300 and its predecessor, H.R. 4671. These studies have led us to the following recommendations:

1. Authorization of the Central Arizona Project (including Hooker Dam in New Mexico) with provision for assistance in meeting repayment requirements in Arizona through (a) a \$10 per acre-foot average canal-side irrigation rate, (b) a \$50 per acre-foot municipal and industrial water rate, (c) a small addition to the municipal and industrial water rate, or an ad valorem tax, or a combination of the two;

2. Provision of low-cost pumping power for the Central Arizona project through prepayment for the requisite capacity and associated transmission facilities in a large, efficient thermal plant to be constructed in the southwest area by a combination of public and private utilities associated with Western Energy Supply and Transmission Associates (WEST);

3. Programs for water salvage and recovery of ground water along and adjacent to the main stream of the lower Colorado River;

4. Expansion of the Grand Canyon National Park to include the Marble Canyon site and the elimination of the latter development from the program;

5. Deferral of action on the Hualapai (Bridge Canyon) project at this time, reserving the question of disposition of the Hualapai site for future consideration by the Congress;

6. Establishment of the National Water Commission to re-examine the nation's critical water supply problems, including the Colorado River Basin, as heretofore recommended by the Administration.

The foregoing program will, we believe, provide the authorization necessary to meet the most immediate water development needs in the lower Colorado River Basin area. At the same time, the studies of the National Water Commission will provide a background of information and advice against which long-range solutions to the region's water supply problems can be effectively evolved.

The segments of the lower Colorado River that would be inundated by the Hualapai and Marble Canyon developments possess major scenic and wilderness values. Whether the benefits to be derived from construction of these projects are of sufficient importance to outweigh the retention of these areas in their present state has been one of the most vexing issues that has emerged in connection with consideration of Colorado River resource problems. After further consideration all aspects of the matter, we have concluded that the highest and best use of the Marble Canyon site is to retain it in its natural state as an addition to the existing Grand Canyon National Park.

Studies regarding the boundaries of the proposed addition to the park will be completed shortly and, as soon as possible, we shall transmit for the Committee's consideration a draft of a bill to carry out this recommendation. Pending action on it, we believe that legislation authorizing the Central Arizona project should also remove the Marble Canyon site, along with the Hualapai site hereafter discussed, from the operation of Part I of the Federal Power Act. If the necessary determinations can be completed in time, there would be no objection to including the park extension in the present legislation.

Whether hydroelectric development of the Hualapai site should also be precluded permanently need not be decided at this time. Deferral of this decision need not affect construction of the Central Arizona project since, under our recommendations, the Central Arizona unit will not depend upon a main stream Colorado River hydroelectric power development as a source of pumping power and financial assistance.

We, therefore, reiterate the recommendation made in our report of May 17, 1965, on H.R. 4671 and by the Bureau of the Budget in its report of May 10, 1965, on S. 75 and S. 1019, that consideration of the Hualapai site be deferred by the Congress pending evaluation of the issue by the National Water Commission.

In order to preserve Congressional freedom of action with respect to Hualapai, Part I of the Federal Power Act should be made inapplicable to it.

We believe that the National Water Commission should be authorized separately as provided by S. 20 which was passed by the Senate on February 6 and is before your Committee. Sections 201-205 of H.R. 3300 would also establish a Commission with similar authority.

We believe the Commission is the appropriate entity to undertake an evaluation of basic issues relative to Colorado River water supply problems. The Commission would be directed by section 3(a) of the Senate-passed bill to:

"(1) review present and anticipated national water resource problems, making such projections of water requirements as may be necessary and identifying alternative ways of meeting these requirements—giving consideration, among other things, to conservation and more efficient use of existing supplies, increased usability by reduction of pollution, innovations to encourage the highest economic use of water, interbasin transfers, and technological advances including, but not limited to desalting, weather modification and waste water purification and reuse; (2) consider economic and social consequences of water resource development, including, for example, the impact of water resource development on regional economic growth, on institutional arrangements, and on esthetic values affecting the quality of life of the American people; and (3) advise on such specific water resource matters as may be referred to it by the President and the Water Resources Council."

Advice and guidance on these matters, all relevant to the Colorado Basin's water problems, by a disinterested and objective Commission composed of outstanding citizens should provide background of great assistance in the formulation of specific proposals. The Commission can be expected to give prompt consideration to the problems of the

Colorado River Basin. As President Johnson said in his message to the Congress on "Protecting our Natural Heritage" of January 30, 1967, in renewing his recommendation for the establishment of the Commission, "We must thoroughly explore every means for assuring an adequate supply of pure water to arid areas like the Southwest."

Under the previously proposed plan for the Central Arizona project, which envisioned provision of pumping power and financial assistance from main stream hydroelectric power developments, all reimbursable costs would have been returned through financial assistance from power sales and average rates of \$10 and \$50 per acre-foot for irrigation and municipal and industrial water, respectively. This \$50 M&I rate included a component for irrigation assistance. Federal financing of a portion of a nonfederally owned thermal plant through prepayment for project power requirements would provide low-cost pumping power and would eliminate the necessity for financial assistance from main stream Colorado River hydroelectric projects.

Using the previously proposed average water rates, our studies estimate that under such a situation, the project cost would be repaid either by increasing the M&I rate to \$56.00 per acre-foot or by assessing the project service area in Arizona with an annual ad valorem tax levy which would come to 0.6 mills per dollar of assessed valuation if Pinal, Maricopa, and Pima Counties are included. The economic benefits of the project should manifest themselves in an increase in the area's wealth which, in turn, would be reflected in a growth of the tax base. All things considered, the increase in taxes would seem to be relatively modest.

Obviously, various combinations of the two alternatives of the municipal and industrial water charge and the ad valorem levy are possible. Decisions on the actual mix should be taken only in closest consultation with the State and local people concerned. The legislation we are suggesting will provide the requisite flexibility. The average \$10 per acre-foot canal-side irrigation water rate, which results in an average rate of \$16 per acre-foot at the farmer's headgate, however, is not capable of substantial adjustment. It represents the average repayment ability of the water users, given other necessary costs, reasonable profit allowances and maintenance of the type of agriculture consistent with the objectives of the Federal reclamation program. Among the factors which restrict an upward thrust of the average irrigation water rate for the Central Arizona project are the restraints proposed upon the expansion of irrigation and the lack of an assurance of a continuing water supply. Consequently, we contemplate retention of the \$10 rate, on the basis of current price levels.

This plan adheres to all present reclamation repayment policies. There are precedents for the use of a small M&I surcharge or ad valorem tax for irrigation repayment assistance. The Central Valley Project in California is an example of the former. The Colorado River Storage Project and the Fryingpan-Arkansas Project, both upper Colorado River Basin projects, are among the latter, as is the Garrison Diversion Project in North Dakota.

While the prepaid purchase of pumping power from a non-Federal steam-electric plant would be a departure in reclamation history, the provision of pumping power for project use is, itself, customary. There are indications that Bureau of Reclamation cooperation in a non-

Federal steamplant would be acceptable to the public and private generating utilities in the WEST organization.

Enclosed as Attachment A is a draft of bill, sections 1-7 of which would give effect to the foregoing recommendations. Additional comments on these sections of this draft are made in Attachment B, entitled "Analysis of Proposed Bill."

H.R. 3300, as did H.R. 4671, would grant California a priority for the consumptive use of 4,400,000 acre-feet of water as against diversions for the Central Arizona Project in any year in which there is less than 7,500,000 acre-feet of main stream Colorado River water available for consumptive use in the three lower basin States of Arizona, California, and Nevada. In such event, diversions for the Central Arizona project would also be curtailed in favor of existing users in Arizona and Nevada. This priority would persist until works are in operation capable of augmenting the flow of the main stream of the Colorado River below Lee Ferry by not less than 2,500,000 acre-feet annually. This interstate priority was arrived at by agreement of the States involved. Earlier, the Senate Interior and Insular Affairs Committee, in favorably reporting S. 1658 in the 88th Congress, provided a similar California priority as against the Central Arizona project, but terminating in 25 years.

We believe the questions of whether there should be a statutory priority and of its terms are primarily for resolution by the States involved and the Congress. If agreement can be reached upon an interstate priority, the Administration would offer no objection. The Bureau of Reclamation water supply studies, financial analysis and feasibility determination for the Central Arizona project have been made in the light of a priority of 4,400,000 acre-feet per annum for California uses and for existing rights and uses in Nevada and Arizona.

Payout assistance from a lower Colorado River Basin fund would not be necessary under our proposal. However, if the Congress deems it appropriate to establish such a fund at this time to provide financial assistance for other future water developments for the lower basin, we perceive no objection thereto. Presumably, such a fund would include post-amortization revenues from the existing Hoover and Parker-Davis projects, the Central Arizona project, and such other Federal dams as may be subsequently constructed in the lower basin. The most recent step by the Congress in this direction was the establishment of a Columbia Basin account by section 2 of P.L. 89-448 of June 14, 1966. In the event the Committee concludes that a lower Colorado River Basin development fund should be established at this time, we also transmit such a provision (Attachment C) for the Committee's consideration.

The following table compares the construction cost of the lower Colorado program we recommend be authorized with the cost of the construction authorizations contained in Title III of H.R. 3300:

	Administration recommendation	Title III, H.R. 3300
Hualapai (including Coconino silt retention dam).....		\$529, 000, 000
Paria silt retention dam.....		11, 000, 000
Central Arizona project.....	\$580, 000, 000	580, 000, 000
Thermal prepay.....	92, 000, 000	
Water salvage.....	42, 000, 000	42, 000, 000
Fish and wildlife.....	5, 000, 000	5, 000, 000
Total.....	719, 000, 000	1, 167, 000, 000

H.R. 3300 would also authorize five participating projects under the Colorado River Storage Project Act, Animas-La Plata, Colorado-New Mexico and Dolores, Dallas Creek, West Divide and San Miguel in Colorado.

In transmitting the planning reports on these projects to the Congress, the Animas-La Plata and Dolores projects were recommended for immediate authorization. Deferral, pending the establishment and completion of review by the National Water Commission of related water problems, was proposed for the others. This proposed legislation would seem to be the appropriate vehicle to authorize the Animas-La Plata and Dolores projects. This could be accomplished by inclusion therein of a provision along the lines of Section 501 of H.R. 3300. In that event subsections (a) and (c) would be modified to omit the Dallas Creek, West Divide and San Miguel projects. We would also propose to eliminate what is now subsection (d) of Section 501 of H.R. 3300 (Section 501(d) of H.R. 4671) for the reasons stated last year in Commissioner Dominy's testimony. (See pp. 1343-1344, Serial 89-17, Part II, Hearings on "Lower Colorado River Basin Project.") We would offer no objection to the inclusion of provisions like Section 501 (b) and (e) of H.R. 3300. Nor would there be objection to applying the "Class 1 equivalency" concept to acreage limitations for the Animas-La Plata, Dolores and Seedskadee projects (Sec. 501(c), H.R. 3300), in view of the high altitude and relatively short growing seasons of the areas involved.

In addition to the foregoing authorization of participating projects under the Colorado River Storage Project Act, H.R. 3300 includes a number of provisions affecting Upper and Lower Colorado River Basin relationships. These provisions have largely been arrived at in the course of interbasin discussions and Congressional consideration of earlier Colorado River bills. There is no objection to inclusion of the substance of these provisions in this legislation and the attached draft bill so provides, commencing with Section 8. Comments on them are contained in Attachment B.

In addition to H.R. 3300, reports were also requested on H.R. 9, H.R. 722, H.R. 744, H.R. 1179 and H.R. 1271. H.R. 744, except for the omission of Section 502, is identical to H.R. 3300. H.R. 722 is identical to H.R. 4671 as reported by your Committee last year. H.R. 9, H.R. 1179 and H.R. 1271 are identical. These three bills differ from H.R. 3300 principally in that they (a) are less specific regarding the scope and timing of investigations to be undertaken by the Secretary pursuant to Title II, (b) specify a minimum 3,000 cfs capacity for the Granite Reef aqueduct, (c) provide for a Gila River exchange of 18,000 acre-feet annually in favor of New Mexico users, (d) omit the interstate priorities in favor of California (4.4 million acre-feet) and existing Nevada uses, as against diversions for the Central Arizona Project in the event of shortage, and (e) omit the provisions dealing with Upper Colorado River Basin authorizations and reimbursements (Title V of H.R. 3300). The views expressed in this report are applicable to the measures referred to in this paragraph as well as to H.R. 3300.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's

program, and that the enactment of legislation to authorize the Central Arizona project as herein proposed is in accord with the program of the President.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

ATTACHMENT A

A BILL To authorize the construction, operation, and maintenance of the Central Arizona project, Arizona-New Mexico, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled,

SECTION 1. That this Act may be cited as the "Central Arizona Project Act."

SEC. 2(a). For the purposes of furnishing irrigation water and municipal water supplies to the water deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, generation of electric power and energy, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall construct, operate, and maintain the Central Arizona Project, consisting of the following principal works: (1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system shall have a capacity of two thousand five hundred cubic feet per second; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so operated as to not prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Number 59); (4) Hooker Dam and Reservoir; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueduct; (8) canals, regulating facilities, hydroelectric powerplants, and electrical transmission facilities; (9) related water distribution and drainage works; and (10) appurtenant works.

(b) The Secretary may enter into an agreement with non-Federal interests proposing to construct a thermal generating powerplant whereby the United States shall acquire the right to such portion of the capacity of such plant, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the Central Arizona Project. Power and energy acquired thereunder may be disposed of intermittently by the Secretary when not required in connection with the Central Arizona Project. The agreement shall provide, among other things, that—

(1) The United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplant, and of any switchyards and transmission

facilities serving the United States, as is represented by the ratios of the respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of preparation of designs and specifications, in such installments as will facilitate a timely construction schedule:

(2) Annual operation and maintenance costs, including provision for depreciation (except as to depreciation on the pro-rata share of construction cost borne by the United States in accordance with the foregoing subdivision (1)) shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing subdivision (1);

(3) Costs to be borne by the United States under subdivisions (1) and (2) shall not include (a) interest and interest during construction, (b) financing charges, (c) taxes (except for Social Security and other payroll taxes) including but not limited to real or personal property taxes, gross or net income taxes, and sales, use, and transaction privilege taxes, (d) franchise fees, and (e) such other costs as shall be specified in the agreement;

(4) The United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplant and appurtenances.

(c) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges, and, with the approval of the Secretary, State-administered wildlife management areas.

(d)(1) Irrigation and municipal and industrial water supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other arrangements whereby each said organization makes water from the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval and the United States shall, if the Secretary determines such action is desirable to facilitate carrying out the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this subparagraph (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

(2) Any obligation assumed pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9(e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(e)) may be on the basis of delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-

foot for water of the same class at the several points of delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes. Notwithstanding any other provisions of law no contract relating to an irrigation water supply under the Central Arizona Project from the main stream of the Colorado River shall commit the United States to deliver such supply for a basic period of more than fifty years for each project contract unit or irrigation block, nor shall such a contract carry renewal or conversion rights or entitle the contractor to water beyond expiration of the delivery periods specified therein. In negotiating new contracts for delivery of such main stream water, the Secretary shall consult with representatives of the State of Arizona and the Secretary shall take into consideration the overall water supply and needs of the Central Arizona Project.

(3) Contracts relating to municipal and industrial water supply under the Central Arizona Project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

(e) Each contract under which water is provided under the Central Arizona Project shall require that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings, adequate in his judgment to prevent excessive conveyance losses; (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from lands located within the exterior boundaries of any Federal reclamation project or irrigation district receiving water from the Central Arizona Project for any use outside such Federal reclamation project or irrigation district, unless the Secretary and the agency or organization operating and maintaining such Federal reclamation project or irrigation district shall agree or shall have previously agreed that a surplus of ground water exists and that drainage is or was required; and (4) all agricultural, municipal and industrial waste water, return flow, seepage, sewage effluent and ground water located in or flowing from contractor's service area originating or resulting from (i) waters contracted for from the Central Arizona Project or (ii) waters stored or developed by any Federal reclamation project are reserved for the use and benefit of the United States as a source of supply for the service area of the Central Arizona Project or for the service area of the Federal reclamation project, as the case may be: *Provided*, That notwithstanding the provisions of clause (3) of this subsection, the agricultural, municipal and industrial waste water, return flow, seepage,

sewage effluent and ground water in or from any such Federal reclamation project, may also be pumped or diverted for use and delivery by the United States elsewhere in the service area of the Central Arizona Project, if not needed for use or reuse in such Federal reclamation project.

(f) The Secretary may require in any contract under which water is provided from the Central Arizona Project that the contractor agree to accept main stream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system, to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (h) of this section: *Provided*, That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

(g) In times of shortage or reduction of main stream Colorado River water for the Central Arizona Project, as determined by the Secretary, users which have yielded water from other sources in exchange for main stream water supplied by that project shall have a first priority to receive main stream water, as against other users supplied by that unit which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

(h) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources, in amounts that will permit consumptive use of water in New Mexico not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until and shall continue only so long as delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversions from the Gila River, its tributaries and underground water sources. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved. All additional consumptive uses provided for in this subsection shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Number 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries and underground water sources, and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

SEC. 3. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Central Arizona Project works authorized pursuant to this Act shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 4. The Secretary shall determine the repayment capability of Indian lands within, under, or served by the Central Arizona Project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 464), and such costs as are beyond repayment capability of such lands shall be nonreimbursable.

SEC. 5. The interest rate applicable to those portions of the reimbursable costs of the Central Arizona Project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such project, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

SEC. 6. The Secretary may undertake programs for water salvage along and adjacent to the main stream of the Colorado River and for ground water recovery in the Yuma area. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary. No groundwater recovery program hereby authorized shall be undertaken until the Secretary of State has reported to the President on consultation which he may have had with the Government of Mexico pursuant to the Water Treaty of 1944 (Treaty Series 994) and the President has approved a definite plan report thereon.

SEC. 7. Part I of the Federal Power Act (16 U.S.C. 791a-823) shall not be applicable to the reach of the Colorado River between Lake Mead and Glen Canyon Dam until and unless otherwise provided by Congress.

SEC. 8. The Upper Colorado River Basin fund established under section 5 of the Act of April 11, 1956 (70 Stat. 107), shall be reimbursed from the Colorado River development fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 755), for all expenditures heretofore or hereafter made from the Upper Colorado River Basin fund to meet deficiencies in generation at Hoover Dam during the filling period of reservoirs of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose \$500,000 for each year of operation of Hoover Dam and powerplant, commencing with the enactment of this Act, shall be transferred from the Colorado River development fund to the Upper Colorado River Basin fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin fund from net revenues derived from the sale of electric energy generated at Hoover Dam.

SEC. 9. (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United

Mexican States (Treaty Series 994), the decree entered by the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774) or the Colorado River Storage Project Act (70 Stat. 105).

(b) The Secretary is directed to—

(1) make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1965. Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and to the Governors of each State signatory to the Colorado River Compact.

(2) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River Compact.

SEC. 10. (a) The Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River Storage Project Act and the Boulder Canyon Project Act, consistent with the provisions of those statutes, the Boulder Canyon Project Adjustment Act, the Colorado River Compact, the Upper Colorado River Compact and the Mexican Water Treaty. To effect in part the purposes expressed in this paragraph, the criteria shall make provision for the storage of water in storage units of the Colorado River Storage Project and releases of water from Lake Powell in the following listed order of priority:

(1) Releases to supply one-half the deficiency described in article III(c) of the Colorado River Compact, if any such deficiency exists and is chargeable to the States of the upper division.

(2) Releases to comply with Article III(d) of the Colorado River Compact.

(3) Storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary after consultation with the Upper Colorado River Commission and representatives of the three lower division States and taking into consideration all relevant factors (including, but not limited to, historic streamflows, the most critical period of record, and probabilities of water supply), shall find to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the Upper Basin pursuant to the Colorado River Compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the lower division to the uses specified in article III(e) of the Colorado River Compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

(b) Not later than July 1, 1968, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to

the governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than January 1, 1969, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1970, and yearly thereafter, the Secretary shall transmit to the Congress and to the governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the governors of the seven Colorado River Basin States and appropriate consultation with such state representatives as each governor may designate.

(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

SEC. 11. (a) Rights of the Upper Basin to the consumptive use of water apportioned to that basin from the Colorado River system by the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin.

(b) Nothing in this Act shall be construed so as to impair, conflict with or otherwise change the duties and powers of the Upper Colorado River Commission.

SEC. 12. Except as otherwise provided in this Act, in constructing, operating, and maintaining the Central Arizona Project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388 and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

SEC. 13. (a) All terms used in this Act which are defined in the Colorado River Compact shall have the meanings there defined.

(b) "Main stream" means the main stream of the Colorado River downstream from Lee Ferry within the United States, including the reservoirs thereon.

(c) "User" or "water user" in relation to main stream water in the lower basin means the United States, or any person or legal entity, entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), to use main stream water when available thereunder.

(d) "Active storage" means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works.

(e) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming.

ATTACHMENT B

ANALYSIS OF PROPOSED BILL TO AUTHORIZED THE CONSTRUCTION, OPERATION AND MAINTENANCE OF THE CENTRAL ARIZONA PROJECT, ARIZONA-NEW MEXICO, AND FOR OTHER PURPOSES

The description of the Central Arizona Project (sec. 2(a)) differs from that as set out in section 304(a) of H.R. 3300, in that (1) Granite

Reef aqueduct capacity is fixed at 2,500 cfs and (2) specific reference to capacity and possible enlargement of Hooker dam is omitted.

Section 2(b) is new. It encompasses the authorization for acquisition of thermal power for purposes of the Central Arizona Project (with commercial sale of power when intermittently not required in connection with the project). Preliminary studies of the Bureau of Reclamation indicate that approximately 400 megawatts of thermal power would be required for pumping purposes, with the 2,500 cfs Granite Reef aqueduct we propose. However, we have not specified that figure in the authorization—instead we make reference to such portion of the output as is required—in order to allow for flexibility in negotiations and possible modification resulting from final, detailed planning.

Section 2(c) is adapted from the first sentence of section 304(b) of H.R. 3300.

Section 2(d) (1) is new. It provides for ad valorem taxing authority to assist in repayment of the costs of the Central Arizona Project.

Except for the last two sentences, section 2(d) (2) is substantially identical with section 404(a) of H.R. 3300. The last two sentences are similar to a provision first included as section 107(e) of the draft bill transmitted with our report of April 9, 1964, to the Senate Committee on Interior and Insular Affairs on S. 1658 in the 88th Congress. Our report of May 17, 1965, to your Committee on H.R. 4671 also proposed its inclusion. We reiterate here what was said in that letter:

Until such time as sufficient water is available to meet all demands, it is important that legislation authorizing new projects using lower basin Colorado River water include the mechanisms whereby the availability of water as between irrigation and municipal and industrial uses can be further considered from time to time. Irrigation water contracts should be of a definite term—long enough to justify investments and development to put the water to use, but nevertheless with a finite time limit—to provide the opportunity for reappraisal of the water situation at the end of the contract period looking to the dedication of water to its highest use at that time. We recognize that this is a departure from the permanent service requirement of the Boulder Canyon Project Act and the provisions of the act of July 2, 1956 (70 Stat. 415) providing for renewal of irrigation water delivery contracts. It is, however, in our view justified by the conditions now prevailing in the Southwest.

Section 2(d) (3) incorporates the provisions of section 404(b) of H.R. 3300.

Section 2(e) incorporates all of section 304(b) of H.R. 3300 except for the first sentence which, as above noted, appears as section 2(c) of the attached draft. Clauses 3 and 4 of section 2(e) (clauses 3 and 4 of sec. 304(b) of H.R. 3300) did not appear in the version of H.R. 4671 to which our May 17, 1965, report was directed. However, we have no objection to them as explained at page 58 of the Committee's report (H. Rept. 1849, 89th Cong., second sess.).

Section 2 (f) and (g) incorporate section 304 (c) and (d) of H.R. 3300. They deal with exchange of main stream Colorado River water for existing local supplies in connection with the Central Arizona Project. Except for the references to Gila River system exchange,

somewhat similar provisions were included in the version of H.R. 4671 upon which we reported. We have no objection thereto.

Section 2(h) incorporates provisions of section 304 (e) and (g) of H.R. 3300. It would require an exchange of 18,000 acre-feet of water per annum from the Gila River system in Arizona for main stream Colorado River water made available in Arizona in order that Gila River system water users in New Mexico might increase their use by the same amount. The section is explained at pages 58-59 of your Committee's report on H.R. 4671. It represents an agreement arrived at between Arizona and New Mexico during consideration of H.R. 4671. We have no objection to it. We have not included that portion of the H.R. 3300 (sec. 304(f)) which provides, on a contingent basis, for an exchange of an additional 30,000 acre-feet of water.

Section 3, dealing with fish and wildlife and recreation, appears as Section 308 of H.R. 3300. It specifically makes applicable the provisions of the Federal Water Project Recreation Act (79 Stat. 213).

Section 4 relating the reimbursability of costs of the Central Arizona Project allocable to Indian lands, is Section 402 of H.R. 3300. It is a standard provision.

Section 5 (sec. 403(h) of H.R. 3300) is the usual provision establishing the interest rates applicable to reimbursable costs allocable to commercial power and municipal and industrial water. It is standard.

Section 6, dealing with water salvage programs in the lower Colorado River area, is essentially in the form in which it appeared in section 305 of the version of H.R. 4671 upon which we reported.

Section 8 is similar to section 502 of H.R. 3300 (sec. 502 of H.R. 4671). It represents an agreement between upper and lower Colorado River basin interests relative to the ultimate assumption of the costs entailed in meeting deficiencies in generation at Hoover dam occasioned by filling operations at the Colorado River storage project reservoirs. We offer no objection to it.

Section 502, like the provisions of title VI of H.R. 3300, involves matters of concern to the lower Colorado River basin as well as to the upper basin. For that reason, we have included it as section 8 of the proposed draft bill, along with the others to which we offer no objection.

Section 9(a) is identical to section 601(a) of H.R. 3300.

Section 601(b)(1) of H.R. 3300 is not reflected in the draft bill because of the possibility that it may not be entirely consistent with the provisions of section 602 of H.R. 3300 which appear, in substance, as section 10 of the draft. The latter provision is also one which has been worked out between the Upper and Lower Basin interests with participation on the technical level by representatives of this Department. As Secretary Holum said in testifying before your Committee last year, "we endorse the objective of this section and find the guidelines to be reasonable and workable." (See Serial No. 89-17, Part II, "Hearings on H.R. 4671 and similar bills," p. 1339.)

Section 601(c) of H.R. 3300 (sec. 604(c) of H.R. 4671) is patterned after similar provisions in the Colorado River Storage Project Act (70 Stat. 105); the Navajo Indian Irrigation Project and San Juan-Chama Project Act (76 Stat. 96) and the Fryingpan-Arkansas Project Act (76 Stat. 389). It appears to us to be unnecessary and is, therefore, omitted from the attached draft bill.

WATER		RECAPITULATION OF DEVELOPMENT FUND				
Assistance After Repayment From Irrigators	Allowable Unpaid Balance	Power	M&I	Irrigation Assistance From Develop- ment Fund	Arizona's Share 1/	Cumula- tive Net Balance
					2,041	2,041
					2,106	4,147
						6,253
						8,359
						10,465
						12,571
						14,677
						16,783
						18,889
					2,106	20,995
					2,015	23,010
						25,025
						27,040
					2,015	29,055
					3,912	32,967
						36,879
						40,791
					3,912	44,703
					3,911	48,614
					3,911	52,525
					3,852	56,377
						60,229
						64,081
		3,811				71,744
		4,702			3,852	80,298
		4,733			3,808	88,839
		4,764				97,411
		4,794				106,013
		4,828				114,649
		4,862			3,808	123,319
		4,892			3,751	131,962
		4,923			8,951	145,836
		4,957				159,744
		4,984				173,679
	358,157	5,018	6,971		8,951	194,619
	332,405	5,048	11,879		8,921	220,467
240,974	56,878	5,082	11,849	240,974		5,345
31,200	25,605	5,116	11,818	31,200		0
25,545	0	5,143	11,787	25,545	8,921	306
297,719	0	77,657	54,304	297,719	166,064	306

kwh; M&I pumping, 5 mills/kwh; residual for commercial sales, 5 mills.

LOWER COLORADO RIVER BASIN PLAN

Repayment Analysis - 2,500-cfs Central Arizona Project
400-MW Power Plant Portion - Coal-Fired Plant
H.R. 3300

Year	POWER			MUNICIPAL AND INDUSTRIAL WATER					IRRIGATION WATER					RECAPITULATION OF DEVELOPMENT FUND				
	Interest-Bearing Investment		Plant in Service	Interest-Free Investment			Interest on			Assistance After Repayment From Irrigators			Allowable Unpaid Balance	Irrigation Assistance From Development Fund		Arizona's Share 1/	Cumulative Net Balance	
	Net Revenue	Interest @ 3.253%	Unpaid Balance	Irrigation Plant in Service End of Year	Balance to be Repaid	Cumulative Net Balance	Net Operating Revenue	Unpaid Balance @ 3.253%	Unpaid Balance	Plant in Service	Cumulative Net Revenue	Net Operating Revenue	Unpaid Balance	Plant in Service	Power	M&I		
1977	-5	0	52,186	52,181	45,361	45,361	-125	1,363	41,898	41,898		-1,962	25,752	25,752				
78	-1,193	1,698	55,077				3,807	5,349	164,425	162,937		-366	301,883	298,563				
79	2,083	1,792	54,786				4,481	5,626	172,950	169,920		3,882	336,238	335,268				
1980	2,130	1,782	54,438				4,706	7,708	236,943	232,768		3,707	356,603	358,157				
81	2,451	1,771	53,758				6,564	7,805	239,945			3,423	352,896					
82	2,553	1,749	52,954				6,882	7,846	241,186			3,265	349,473					
83	2,658	1,723	52,019				7,186	7,877	242,150			3,111	346,208					
84	2,762	1,692	50,949				7,516	7,900	242,841			2,915	343,097					
85	2,868	1,657	49,738				7,836	7,912	243,225			2,744	340,182					
86	2,972	1,618	48,384				8,134	7,915	243,301			2,580	337,438					
87	3,079	1,574	46,879				8,433	7,907	243,082			2,428	334,858					
88	3,181	1,525	45,223				8,716	7,890	242,556			2,302	332,430					
89	3,289	1,471	43,405				9,020	7,863	241,730			2,125	330,128					
1990	3,393	1,412	41,424				9,324	7,826	240,573			1,969	328,003					
91	3,467	1,348	39,305				9,648	7,777	239,075			1,860	326,034					
92	3,550	1,279	37,034				9,957	7,716	237,204			1,756	324,174			2,041	2,041	
93	3,642	1,205	34,597				10,261	7,643	234,963			1,658	322,418			2,106	4,147	
94	3,727	1,125	31,995				10,569	7,558	232,345			1,557	320,760				6,253	
95	3,812	1,041	29,224				10,848	7,460	229,334			1,486	319,203				8,359	
96	3,894	951	26,281				11,152	7,350	225,946			1,382	317,717				10,465	
97	3,977	855	23,159				11,466	7,226	222,144			1,269	316,335				12,571	
98	4,055	753	19,857				11,748	7,088	217,904			1,205	315,066				14,677	
99	4,142	646	16,361				12,047	6,937	213,244			1,097	313,861				16,783	
2000	4,225	414	12,550				12,310	6,771	208,134			1,034	312,764				18,889	
1	4,259	318	8,609				12,510	6,590	202,595			974	311,730			2,106	20,995	
2	4,286	280	4,603				12,710	6,404	196,875			930	310,756			2,015	23,010	
3	4,320	150	433		45,361		12,910	6,212	190,969			901	309,826				25,025	
4	4,354	14	0			41,454	12,179	6,015	184,902			851	308,925				27,040	
5	4,384	0				37,070	12,279	5,811	178,638			836	308,074			2,015	29,055	
6	4,418					32,652	12,248	5,602	172,201			776	307,238			3,912	32,967	
7	4,445					28,207	12,248	5,386	165,555			763	306,462				36,879	
8	4,479					23,728	12,217	5,163	158,724			713	305,699				40,791	
9	4,510					19,218	12,217	5,163	151,670			686	304,986			3,912	44,703	
2010	4,540					14,678	12,187	4,934	144,417			640	304,300			3,911	48,614	
11	4,574					10,104	12,187	4,698	136,928			611	303,660			3,911	52,525	
12	4,608					5,496	12,156	4,454	129,226			561	303,049			3,852	56,377	
13	4,638					858	12,156	4,204	121,274			545	302,488				60,229	
14	4,669					0	12,125	3,945	113,094			488	301,943				64,081	
15	4,702					3,811	12,125	3,679	104,648			469	301,455		3,811		71,744	
16	4,733					8,513	12,094	3,404	95,958			423	300,986			3,852	80,298	
17	4,764					13,246	12,094	3,122	86,986			397	300,563			3,808	88,839	
18	4,794					18,010	12,063	2,830	77,753			370	300,166				97,411	
19	4,828					22,804	12,034	2,529	68,248			330	299,796				106,013	
2020	4,862					27,632	12,034	2,220	58,434			301	299,466				114,649	
21	4,892					32,494	11,972	1,901	48,332			286	299,165			3,808	123,319	
22	4,923					37,386	11,972	1,572	37,932			229	298,879			3,751	131,962	
23	4,954					42,309	11,972	1,234	27,194			210	298,650			8,951	145,836	
24	4,984					47,266	11,941	885	16,138			197	298,440				159,744	
25	5,018					52,250	11,910	525	4,753			168	298,243				173,679	
26	5,048					57,268	11,879	155	0		6,971	121	298,075		5,018	6,971	187,619	
27	5,082					62,316	11,879	0			18,850	102	297,954		5,048	11,879	200,467	
28	5,116					67,398	11,849				30,699	73	297,878		5,082	11,849	213,319	
29	5,143					72,514	11,818				42,517	60	297,802		5,116	11,818	226,467	
2029	5,143	0	0	52,181	45,361	0	11,787	0	0	232,768	54,304	60	25,605	358,157	25,545	8,921	306	
Total	207,042	31,843	0	52,181	45,361	0	552,859	265,787	0	232,768	54,304	60,438	0	358,157	297,719	0	77,657	306

1/ Arizona's share of Development Fund adjusted for loss of power at Coolidge Dam.

Note Rate assumptions: Water delivered at canalside--irrigation, \$10 per acre-foot; M&I, \$53.37. Power delivered to pumps or load center--irrigation pumping, 3 mills/kwh; M&I pumping, 5 mills/kwh; residual for commercial sales, 5 mills.

Section 601(d) of H.R. 3300 (sec. 604(e) of H.R. 4671) appears to us to be unnecessary. We do not read the bill as having the effects referred to.

The other provisions of the draft bill are self-explanatory.

ATTACHMENT C

DRAFT PROVISION FOR "LOWER COLORADO RIVER BASIN DEVELOPMENT FUND."

SEC. —. All Federal revenue from the Boulder Canyon, Parker-Davis, Central Arizona and any other Federal reclamation projects hereafter constructed in the lower Colorado River Basin, which, after completion of the respective repayment requirements thereof, are surplus, as determined by the Secretary, to their respective operation, maintenance, and replacement requirements shall be kept in a separate fund in the Treasury of the United States, to be known as the Lower Colorado River Basin development fund, to be expended or applied in connection with water conservation and development for the Lower Colorado River Basin as may hereafter be prescribed by the Congress.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

ACT OF SEPTEMBER 2, 1964 (78 STAT. 848)

* * * * *

SEC. 8. There is hereby authorized to be appropriated for the construction of the Dixie project, the sum of **[\$42,700,000]** *\$58,000,000*, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to types of construction involved therein, and, in addition thereto, such sums as may be required to operate and maintain said project.

ACT OF APRIL 11, 1956 (70 STAT. 105, AS AMENDED; 43 U.S.C. 620)

In order to initiate the comprehensive development of the water resources of the Upper Colorado River Basin, for the purposes, among others, of regulating the flow of the Colorado River, storing water for beneficial consumptive use, making it possible for the States of the Upper Basin to utilize, consistently with the provisions of the Colorado River Compact, the apportionments made to and among them in the Colorado River Compact, and the Upper Colorado River Basin Compact, respectively, providing for the reclamation of arid and semiarid land, for the control of floods, and for the generation of hydroelectric power, as an incident of the foregoing purposes, the Secretary of the Interior is hereby authorized (1) to construct, operate, and maintain the following initial units of the Colorado River storage project, con-

sisting of dams, reservoirs, powerplants, transmission facilities and appurtenant works: Curecanti, Flaming Gorge, Navajo (dam and reservoir only), and Glen Canyon: *Provided*. That the Curecanti Dam shall be constructed to a height which will impound not less than nine hundred and forty thousand acre-feet of water or will create a reservoir of such greater capacity as can be obtained by a high waterline located at seven thousand five hundred and twenty feet above mean sea level, and that construction thereof shall not be undertaken until the Secretary has, on the basis of further engineering and economic investigations, reexamined the economic justification of such unit and, accompanied by appropriate documentation in the form of a supplemental report, has certified to the Congress and to the President that, in his judgment, the benefits of such unit will exceed its costs; and (2) to construct, operate, and maintain the following additional reclamation projects (including power-generating and transmission facilities related thereto), hereinafter referred to as participating projects: Central Utah (initial phase *and the Uintah unit*), San Juan-Chama (initial stage), Emery County, Florida, Hammond, La Barge, Lyman, Navajo Indian, Paonia (including the Minnesota unit, a dam and reservoir on Muddy Creek just above its confluence with the North Fork of the Gunnison River, and other necessary works), [Pine River Extension] Animas-La Plata, Dolores, Dallas Creek, West Divide, San Miguel, Seedskadee, Savery-Pot Hook, Bostwick Park, Fruitland Mesa, Silt and Smith Fork: *Provided*. That construction of the *Uintah unit of the Central Utah Project shall not be undertaken by the Secretary until he has completed a feasibility report on such unit and submitted such report to the Congress along with his certification that, in his judgment, the benefits of such unit or segment will exceed the costs and that such unit is physically and financially feasible: Provided further*. That as part of the Glen Canyon Unit the Secretary of the Interior shall take adequate protective measures to preclude impairment of the Rainbow Bridge National Monument.

SEC. 2. In carrying out further investigations of projects under the Federal reclamation laws in the Upper Colorado River Basin, the Secretary shall give priority to completion of planning reports on the Gooseberry, [Parshall, Troublesome, Rabbit Ear,] Eagle Divide, [San Miguel, West Divide,] Bluestone, Battlement Mesa, [Tomichi Creek, East River, Ohio Creek,] Grand Mesa, [Dallas Creek, Dolores, Fruit Growers extension, Animas-La Plata,] Yellow Jacket, Basalt, Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomichi Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units), and Sublette (including a diversion of water from the Green River to the North Platte River Basin in Wyoming), Ute Indian unit of the Central Utah Project, San Juan County (Utah), Price River, Grand County (Utah), Gray Canyon, and Juniper (Utah) participating projects[.]: *Provided*. That the planning report for the Ute Indian unit of the Central Utah participating project shall be completed on or before December 31, 1974 to enable the United States of America to meet the commitments heretofore made to the Ute Indian Tribe of the Uintah and Ouray Indian Reservation under the agreement dated September 20, 1965 (Contract Numbered 14-06-W-194). * * *

SEPARATE AND DISSENTING VIEWS

We do not support the authorization of the Colorado River Basin Project Act and the extorted provisions of H.R. 3300 as amended and reported by the House Committee on Interior and Insular Affairs. We are therefore opposed to the bill.

I. GENERAL COMMENTS

H.R. 3300 as amended and approved by the Committee has as one of its objectives the authorization, construction, operation and maintenance of the Central Arizona Project in Arizona and New Mexico. We support the authorization of the Central Arizona Project. We do so, to enable the people of the State of Arizona to use their entitlement of 2.8 million acre feet of Colorado River water as adjudicated by the Supreme Court of the United States in *Arizona vs. California, et. al.*, 373 U.S. 546 (1963). In support of this position, we submit herein a proposal which was offered in Committee and which would authorize the Central Arizona Project without the extorted provisions contained in H.R. 3300.

A careful reading and analysis of H.R. 3300 seriously opens to question the basic principle and purpose of this legislation. This legislation with its many direct authorizations, its open-ended authorizations, limitations, protections, conditions, exceptions, and consent for suit against the United States, demonstrates beyond any reasonable doubt that the principle purpose of these controversial provisions are the defeat of the Central Arizona Project, if the extorted provisions are not retained in H.R. 3300.

The Central Arizona Project has had a long and troubled history. Bills to authorize construction of the project were first introduced in the Congress in 1947-48. Hearings on this legislation have always centered on the legal rights and availability of water. In 1951, it was the motion of the Ranking Minority Member of the Committee which resulted in the Committee's action that sent the States of Arizona and California into the Supreme Court to have these questions decided.

Arizona won her suit against California. Arizona won it fairly and handsomely. Arizona is entitled to the benefits of her efforts without the extorted agreements and conditions imposed upon Arizona by California, Colorado, and the other Colorado River Basin States as set forth in H.R. 3300. Arizona should not be required to pay a price for authorization of the Central Arizona Project as the result of her victory in the Supreme Court of the United States.

Nor, should the Congress of the United States ask Arizona to pay this ransom by authorizing the Colorado River Basin Project Act. The Congress of the United States should not be placed in this position because, in the balance, and in the gathering storm, hinges the total future of the reclamation program. Nothing more needs to be said of

the importance of the reclamation program to the future of this nation and its people. Its non-existence or curtailment is obvious.

Notwithstanding this national interest, the other basin States insist on eviscerating Arizona's Supreme Court victory as the price for supporting the Central Arizona Project. Arizona, in order to obtain that support, has unwillingly and reluctantly abrogated her rights, as determined by the Supreme Court decree, by accepting the provisions of H.R. 3300 which provide:

(1) A guaranteed priority to the State of California of 4,400,000 acre-feet of water each year—an amount to which California is entitled only if there is 7,500,000 acre feet available in the main stream of the Colorado River below Lee Ferry, but not otherwise; and

(2) That satisfaction of the requirements of the Mexican Water Treaty constitute a national obligation and the first obligation of any water augmentation project; and

(3) That as a result of the need to augment the river to satisfy the requirements of the Mexican Water Treaty, further studies be made for augmenting the flow of the river including trans-basin importations; and

(4) Provisions which protect the Upper Basin States and guarantee that their future water needs are not endangered in any way.

This conduct by the other basin States and the abrogation by Arizona, sets another example of the breeding disrespect and the erosion of law and order which is rapidly encompassing our Nation today.

II. A COMPARISON

H.R. 3300 is similar to H.R. 4671, a bill cited as the Colorado River Basin Project Act, which was reported by the Committee during the 89th Congress. H.R. 4671 was not acted upon in the 89th Congress for at least two reasons: (1) the highly controversial provisions of H.R. 4671, and (2) a withdrawal and breach by the other basin States of their agreement with Arizona.

A comparison of H.R. 3300, as amended and reported by the Committee, and H.R. 4671, as reported in the 89th Congress, is most interesting.

H.R. 4671 was regional in scope and raised a number of issues of national concern. The bill included the authorization of the Central Arizona Project; establishment of a National Water Commission; provisions for augmentation studies, including studies of transbasin diversions of water; provisions making the Mexican Water Treaty a national obligation and satisfaction of the treaty requirements from water to be imported from other river basins; authorization of Hualapai and Marble Canyon Dams; establishment of a basin development fund; provision for a 4.4 million acre-feet guarantee to California until augmentation could be accomplished; authorization of participating projects in the Upper Colorado River Basin; and various other provisions reflecting the results of interstate negotiations.

Immediately after the 90th Congress convened, bills were again introduced in both Houses to authorize the Central Arizona Project and to authorize the Colorado River Basin Project. On March 13, 1967,

the House Subcommittee on Irrigation and Reclamation began consideration of this legislation, H.R. 3300. In hearings before the Subcommittee Arizona testified as follows:

1966 PROGRAM TOO AMBITIOUS

Last year Arizona and its neighbor states asked for much more. We worked toward a regional water resource development plan which would have solved many of the present and future water supply problems of the entire Southwest. Together, we undertook to solve all of our common water problems and succeeded in reaching agreement on a sound, workable regional plan.

That plan, as considered so meticulously by this Committee last year, was a good plan, a farsighted plan, a blueprint for the essential future development of an entire segment of the country. But it was large, it was expensive, and it was ambitious. And, we regret to say, it was highly controversial. *It included some elements which continue to be controversial—elements flatly unacceptable to some segments of the public.* [Emphasis added.] As we know, that great plan, which looked not just to the present—but 50 years into the future—was approved by this Committee, but its controversies bore heavily upon it, and it failed to clear the Rules Committee in the closing days of the 89th Congress and was never considered by the entire Congress.

After careful soul-searching—after a thorough and painful analysis of the legislative situation—and after another hard look at our rapidly deteriorating water situation—the Arizona Congressional delegation is now convinced that Arizona cannot wait to solve all the water supply problems of the Southwest.

Let us make it perfectly clear that we support regional water planning and action. Our bill is a regional bill; it does contain the essential foundation and skeleton on which future regional and interregional development may be built.

At another point, Arizona also testified,

But the single most important lesson of 1966 was that H.R. 4671 was probably too large and controversial to pass without serious danger of amendment.

The plea of Arizona was for naught as California testified as follows:

Here we are legislating in the field that the Supreme Court refused to decide, the allocation of shortages, and which it remitted to Congress. We propose to solve that problem by resort to the century-old law of the West: the protection of existing uses under senior appropriations against new uses, but all in strict accordance with the agreement that California's legislature made with Congress forty years ago. We have relied on that agreement in building the half-billion dollars of projects on which ten million people and most of Southern California's agriculture are now dependent, and we are confident that Congress will keep its side of that same

bargain in authorizing the new Central Arizona project.

In this way both States are made aware of their common necessity to bring about the importation of water into the Colorado—a necessity shared by all seven states for that matter.

With our existing projects protected to the extent that I have described, California can and does support the inclusion of the Central Arizona project in the regional plan of development proposed in our bills. [Emphasis added.]

The existing projects in California presently utilize approximately 5.1 million acre feet of Colorado River water. California is entitled to use 4.4 million acre feet of water under existing laws governing the consumptive use of Colorado River waters. Thus, California is using roughly 700,000 acre feet of water which she is not entitled to use. Therefore, it is most interesting to note California's support of H.R. 3300. If H.R. 3300 is enacted, California will lose 700,000 acre-feet of water, if the Central Arizona Project is constructed and there is no program for augmentation.

At another point California itself applied a simple comparison of H.R. 3300, and H.R. 4671, and said:

H.R. 3300 is itself a modified compromise of H.R. 4671's principle provisions. And while there may exist some differences in language and terms, all are uniformly dedicated to the same goal and all maintain the essential seven-state characteristics of H.R. 4671.

In a direct response to a California comparison of the bills before the Subcommittee, Arizona responded in part:

We think, realistically, if we are going to get the Central Arizona Project and go forward on the water needs of the region, that we have to have something that is reduced in scope.

Again, Arizona's plea was unheeded because on March 26, 1968, the House Committee on Interior and Insular Affairs ordered H.R. 3300, as amended, favorably reported to the House of Representatives.

H.R. 3300, as amended and reported to the House of Representatives, is by comparison, a bill which is regional in scope and raises a number of issues of national concern. The bill includes the authorization of the Central Arizona Project; provisions for augmentation studies, including studies of transbasin diversions of water; provisions making the Mexican Water Treaty a national obligation with satisfaction of the treaty requirements the first obligation of the water to be imported from other river basins; establishment of a basin development fund; provision of a 4.4 million acre-feet guarantee to the State of California in perpetuity; authorization of numerous projects in the Upper Colorado River Basin; and various other provisions reflecting the results of interstate negotiations.

So, by comparison there is very little difference between H.R. 4671, as reported to the 89th Congress, and H.R. 3300, as reported to the 90th Congress. And, this is so despite the pleas, desires and needs of the people of the State of Arizona, who are being required to bear the burden of an expensive, ambitious, and controversial regional water

development plan, under the guise of basinwide support for a simple Central Arizona Project.

Before leaving this comparison it might do well to compare the federal costs involved in H.R. 4671 and H.R. 3300. A cost analysis becomes mandatory when considered in the light of the financial crisis now facing this Nation.

H.R. 4671, as reported in the 89th Congress, involved federal expenditures roughly in the sum of \$1,756,438,000, not including the studies and costs of importation which were factually estimated to cost an additional \$8,000,000,000.

H.R. 3300, as amended and reported in the 90th Congress, involves federal expenditures of approximately \$1,286,000,000, not including the costs of the study of importing 2½ million acre-feet of water for satisfaction of the Mexican Water Treaty and the costs of the associated studies, plans and reports.

This cost analysis of H.R. 4671 and H.R. 3300 indicates a cost reduction of approximately \$400,000,000, notwithstanding the plea of Arizona for a bill "reduced in scope" and the financial crisis now facing our national government. This amount does not include the costs of the studies associated with H.R. 3300 which in testimony before the Committee was stated to be undeterminable.

H.R. 3300, as amended and reported by the Committee on Interior and Insular Affairs, goes far beyond the recommendations of the Administration in support of this legislation.

This comparison should not be taken as indicating that we are opposed to regional or large scale planning or the costs involved in such function. We are not.

It is the attempts to justify authorization of the Central Arizona Project on the basis of studies predirected and prejudged on the need for large scale importations of water which have not been made that we oppose.

Amidst all the clamor for large scale regional planning, of moving forward together and joining hands in partnership lies hidden an irreconcilable conflict of water rights jealously guarded and emotionally defended.

Water planning requires decisions, and these decisions are necessarily political because their purposes are political purposes of states and nations. For that reason no perfect plan or solution for water problems will be found at anytime. If we are to try and meet the ever changing demands and situations of our society our water planning decisions must be based upon completed studies and criteria which form the basis for long-range and regional water planning. To do otherwise is to give substance to a never ending conflict of water rights and availability, which in turn create the issues of national concern.

H.R. 3300 does not in our opinion present a long-range regional water development plan based upon completed studies and reports so necessary for intelligent planning. If we are to proceed with the reclamation program, if we are to encourage progress in the economic development of the Southwestern United States, we must proceed at a pace in which this Nation and its people have the capacity to perform. We suggest, therefore, that in the absence of detailed studies and reports we proceed one step at a time and authorize the Central Arizona Project.

III. WATER AVAILABILITY

As early as the latter part of the nineteenth century the people of the Southwestern United States recognized the need for a controlled and dependable water supply from the Colorado River. And, since that time, the water resources of the Colorado River have been a subject of controversy.

Each time the Committee considers legislation involving the Colorado River, the testimony indicates wide differences of opinion regarding the dependability of the water supply of the Colorado River and the amount of water actually available for consumptive use. These differences are due to the inability of the hydrologists to agree upon the basic data to be incorporated in their studies.

H.R. 3300 again raises the issue of water availability because the bill initially authorizes the Central Arizona Project which involves a large diversion of the waters of the Colorado River. The other basin States contend there is not sufficient water available to authorize a financial and economically feasible Central Arizona Project.

The Committee concluded in reporting similar legislation during the 89th Congress, based upon all the studies and testimony presented to the Committee that—

*There will be available, however, a full water supply from the Colorado River for the central Arizona unit until some time during the decade 1990-2000. [Emphasis added.] * * **

In the absence of imported water, the average divertible supply of water for the Central Arizona unit is estimated to be 900,000 acre-feet by the year 2000.

This Committee conclusion of the 89th Congress apparently proved unconvincing because on March 14, 1967, the testimony before the Committee was as follows:

QUESTION. . . . You say that you know of no serious opposition to the central Arizona Project that the administration proposed.

The problem, of course, under your proposal, is that there is no provision for long-term water supply for the central Arizona project, nor is there any provision that studies will be made; is that true?

Secretary UDALL. No, I could not accept that as a statement of the situation. We have adequate water, even assuming—as we assume in all of our studies—the 4.4 priority, for a viable project with a sound cost-benefit ratio.

QUESTION. At whose expense?

Secretary UDALL. Well, I think at no one's expense.

QUESTION. You are going to continue the central Arizona project as you propose it, to make it a lasting project, to serve the amount of water that is needed to make this a feasible project, and, if so who has to furnish that water, if you do that?

Secretary UDALL. Mr. Chairman, I want to make my position very clear on this point. I think one very big and bold and necessary assumption must be made.

As far as the long-term future of the river is concerned, the river is in short supply. This is the main fact of life on the

river. This is what all of us have been talking about for the last 2 or 3 years, and I am convinced that the people of this large and fast-growing region are not going to sit by without providing plans that will be timely. And when the year 1990 or the year 2000 comes, you will have augmenting plans to the river whole.

I just proceed on this assumption.

So that I think, in terms of anybody bearing any shortage or deficiency, if we do our work right in the Congress and in the region, I do not think that there will be any deficiency.

QUESTION. You do not answer my question: At whose expense must this project get water, even from the beginning?

Secretary UDALL. I do not understand. I do not understand your question. At whose expense——

QUESTION. Under the provisions of the Colorado River compact, and along the river, whose entitlement will be used to make this project a feasible project?

Secretary UDALL. I think the anticipation is that water that Arizona uses during this period, as we have planned it, is water that will be available in the river that moves down the river by gravity, Mr. Chairman. That is all that I can say. I do not think it is taken from anybody. You cannot.

QUESTION. Under any reasonable study of the water in the river at the present time, how much water is Arizona going to get from this whole priority in the lower basin of the 7.5 million acre-feet of water to be delivered at Lee's Ferry? How much water will be available under anybody's study at the present time for Arizona?

Mr. DOMINY. It is true that in the early years——

QUESTION. What is true?

Mr. DOMINY. Under this project, it is true that upper basin water would be available, because your project——

QUESTION. That is what bothers me. I thought that you would say that. I thought that the Secretary would say that.

Secretary UDALL. I concur with whatever he says. [Laughter.]

QUESTION. I wonder who is going to be the receiver of the kickoff and who is going to be the final ball carrier? That is what I wondered when you came in. I would like to have Mr. Dominy give us these figures, because I have told you already that I was in favor of this project, but I am not about to permit entitlement of the upper basin to be jeopardized by this project.

Mr. DOMINY. Nor do we have any intention that it would be so, Mr. Chariman. We have worked diligently with all of the water authorities in your State and the other States of the upper basin as well as the lower basin, getting firm estimates as to the rate of project development that would be reasonable to forecast, and on the basis of all of those reviews with your people and others, we think that there will be 1.650 million acre-feet or 1,650,000 acre-feet available in the Colorado River up to 1975 for the Central Arizona Project.

By 1990, we think that will drop down to an average of 1,255,000 because of other uses being developed. Under the

rights of the compact, by the year 2000, we are predicting that that will drop to an annual average of 1,026,000 acre-feet available for central Arizona.

QUESTION. I will stop you there. In order to take care of Arizona's needs from this project, how much water do you need? Not to pay off the project, but to go ahead and take care of the needs of Arizona?

Mr. DOMINY. We recognized from the very start that this project is not a total panacea for the problems of the water supply in Arizona.

QUESTION. I did not ask you that. I just want to know: How much water Arizona has to have and how much Arizona will have if you develop the upper basin by the year 2000?

Mr. DOMINY. By the year 2000 Arizona would still be needing, if it took care of all of its overdraft, more than 2 million acre-feet of water, instead of the 1 million that we think will be available. We know that there will be a declining agriculture base in Arizona unless there is augmentation to the river supply to pick up that deficiency.

But our studies, so far as the project benefit-cost ratios are concerned—the payouts are concerned—are based on a realistic appraisal that the water will not be there, because you have the rights under the compact to develop your projects in the upper basin, and we think that you will develop them on schedule by the year 2000.

QUESTION. Maybe you will be able to place it in the record without going around the bush.

How much water does Arizona intend to take out of the Colorado River when this project is completed?

Mr. DOMINY. We would hope to divert on the average in the early years of 1,650,000 acre-feet.

QUESTION. And how much do you expect to take out by the year 2000?

Mr. DOMINY. About 1,026,000 acre-feet, on the average.

QUESTION. If the upper basin gets its entitlement, keeping in mind that the lower basin is entitled to the first 7.5 million acre-feet of water, what is Arizona's present entitlement out of the Colorado River.

Mr. DOMINY. It would drop ultimately to an average of about 675,000 acre-feet.

QUESTION. That is it.

Mr. DOMINY. That amount would remain when you get all of your water put to work. We have calculated our studies on that basis.

Then, on January 30, 1968, the Department of the Interior was again called upon to testify on the water supply available for the Central Arizona Project. At that time, the Department submitted on the basis of their studies the following testimony:

ESTIMATE OF WATER SUPPLY

Estimates of future water supply available to the lower basin are influenced by three basic assumptions, each a matter

of judgment. The first relates to the magnitude of virgin runoff that will occur in the future. The second concerns the rate of increase and the ultimate magnitude of Upper Basin depletions. The third involves the magnitude of future net losses along the Lower Colorado River.

Let us discuss all three of these items.

The traditional method of forecasting future runoff is to base the estimate on past records. The question posed in the Colorado Basin is what period of past runoff should be taken as most representative of the future. The following three periods represent typical variations involved :

[In thousands of acre-feet]		
Period	Characteristic	Average virgin runoff at Lee Ferry
1931 to 1967.....	Critical period.....	12,990
1922 to 1967.....	Actual record at Lee Ferry.....	13,750
1906 to 1957.....	Longest reliable period of record on Colorado River.....	14,960

The larger estimate of future virgin runoff at Lee Ferry, the larger will be the estimate of water supply for the lower basin, although not in direct proportion. With a 4.4 million acre-foot California priority the magnitude of the central Arizona project water supply is more sensitive to the estimate of future virgin flow at Lee Ferry. * * *

With respect to Upper Basin depletions affecting the water supply available for the Central Arizona Project, the Department of the Interior testified as follows :

There appears to be substantial agreement as to the extent of present upper basin depletions. There is disagreement, however, as to the rate at which future upper basin depletions will occur. There is disagreement as to the extent of responsibility, if any, of the upper basin to meet a part of the Mexican water treaty obligations.

The basic differences in projection of upper basin depletions are as follows :

[In thousands of acre-feet]		
Year	Bureau of Reclamation estimate	Tipton report estimate
1965.....	2,787	2,777
1975.....	4,220	4,513
1990.....	5,100	6,342
2000.....	5,430	7,351
2030.....	5,800	7,891

* Tipton report demonstrates that upper basin's art. III(d), Colorado River compact obligation, limits assured supply for upper basin to 6,300,000 acre-feet annually, exclusive of its Mexican treaty obligation, if any.

We agree that land and other resources in the upper basin could be physically developed to deplete water at the rate the upper basin estimates. However, it does not appear likely in the judgment of our experts that projections which would

completely dedicate the upper basin's total remaining unused Colorado River water supplies to specific areas or uses would be developed at rates commensurate with upper basin projections.

It seems more likely that some reserves will be withheld for future municipal and industrial growth. Also influencing our judgment is the uncertainty as to whether the upper basin is obligated to meet part of any Mexican water treaty deficiencies. Until that issue is resolved, we doubt that projects dependent on the contested water supply, as a practical matter, would be authorized or undertaken.

To the extent that weather modification, desalting, or other measures provide water for additional use, we would expect that the rate of future upper basin depletions would increase accordingly. In the interim, we believe that our estimates of future upper basin depletions are realistic.

Testimony on the third basic assumption was as follows:

NET WATER LOSSES ALONG LOWER COLORADO RIVER

The third broad category where projection or assumption is necessary to estimate future lower basin water supply involves estimating the future net water losses along the Lower Colorado River. Our proposal for the Colorado River Basin project include works to salvage some 680,000 acre-feet of Colorado River water that have constituted river losses in the past. With these salvage works in operation, we estimate that there will remain some 590,000 acre-feet of net losses along the lower river, primarily from evaporation and evapotranspiration from nonbeneficial vegetation. For comparative purposes, other estimates of future net losses are as follows:

<i>Source</i>	<i>Estimate, acre-feet</i>
Bureau of Reclamation.....	590,000
Upper Basin (Tipton).....	810,000
Colorado River Board of California.....	1,000,000

The magnitude of the future losses would affect significantly the residual water supply for the central Arizona project.

Again, we believe our estimates are realistic. Senator Wash Reservoir is now in operation and preventing overdeliveries to Mexico. We are confident that water losses can be reduced through eradication and control of phreatophytes and through further channelization. We know that we can salvage water through ground-water recovery.

In support of its basic assumptions concerning the water available for the Central Arizona Project the Department further testified as follows:

WATER SUPPLY FOR THE CENTRAL ARIZONA PROJECT

The effect of varying assumption in the three broad aspects of water supply I have just discussed—virgin runoff, upper basin depletions, and lower river losses—is as follows and as shown graphically on the chart before you.

WATER FOR CENTRAL ARIZONA PROJECT

[In thousand acre-feet]

Condition	Year 1979	Year 1990	Year 2000	Year 2030	Average 50-year period
USBR projections:					
60-year period, 1906-65	1,650	1,255	1,026	676	1,045
62-year period, 1906-67	1,650	1,239	1,005	626	1,019
46-year period, 1922-67; USBR projections of upper basin depletions	1,650	900	430	284	622
46-year period 1922-67; Tipton projections of upper basin depletions ²	1,105	500	360	284	450
46-year period 1922-67; Tipton projections of upper basin depletions; Tipton estimate of lower basin salvage ²	890	285	145	77	237

¹ Aqueduct capacity, 2,500 c.f.s.; 4.4 m.a.f. priority for California.² Tipton projections on basis that upper basin would be required to provide 1/2 of Mexican water delivery. If upper basin were not so required, water supply for CAP would drop to zero about 1985 on basis of Tipton projections.

Secretary UDALL. Only time will tell which assumptions are the more nearly correct. There is no way of guaranteeing or proving with certainty any given assumption today. The only positive solution, therefore, lies in programs which will supplement Colorado River runoff at least sufficiently to guarantee 7.5 million acre-feet for consumptive use by the lower basin States. If this is accomplished, the assumptions as to virgin flow, upper basin depletions, and river losses become academic insofar as lower basin water supply is concerned.

* * *

In addition the Department presented testimony on water available for the Central Arizona Project through water conservation programs and desalting.

In response to specific Committee inquiries the Department furnished for the record additional information on the water supply available for the Central Arizona Project as follows:

The minimum average annual amount of water necessary to the economic and financial feasibility of the Central Arizona Project is about 450,000 acre-feet. This is the amount of water that would be available based on Colorado River runoff for the 46-year period 1922-1967, based on Mr. Tipton's projection of Upper Basin depletions, and assuming that the Upper Basin would contribute 750,000 acre-feet toward meeting Mexican water deliveries. The average water supply by year would be:

Year:	Acre-feet (1,000)
1979	1,105
1990	500
2000	360
2030	284
Average 50-year period	450

A minimum delivery of 8,250,000 acre-feet annually at Lee Ferry is essential to the feasibility of CAP under the assumption of a 4.4 million acre-foot priority for California.

The average annual amount of water and the minimum annual amount of water needed from the main stream for all Lower Basin uses in order to make the Central Arizona

Project feasible are both of the same general order of magnitude. At least 8,250,000 acre-feet annually are required. This amount would serve the following requirements:

	<i>Amount</i>
Delivery to Mexico-----	1, 500, 000
California -----	4, 400, 000
Nevada -----	246, 000
Arizona main stem-----	1, 230, 000
Central Arizona project-----	¹ 284, 00
Net losses below Hoover Dam-----	590, 000
Total -----	8, 250, 000

¹ This plus 50,000 acre-feet of other project water supply developed by CAP would be a firm supply to meet the revenue-producing M. & I. sales.

Inasmuch as net inflow between Lee Ferry and Lake Mead just about equals evaporation from Lake Mead, this means that the minimum regulated flow at Lee Ferry would need to be 8,250,000 acre-feet. With average runoff, the regulated flow at Lee Ferry will exceed 8,250,000 acre-feet for a number of years, at least into the 1980's. Thus, the average Lower Basin water supply would exceed the minimum required by a small amount due to early years of excess.

This testimony clearly establishes these most important facts concerning the water available for the Central Arizona Project:

(1) That, the testimony pertaining to water supplies was based upon detailed and completed studies; and

(2) That, such studies clearly establish there is a full water supply available for a feasible Central Arizona Project until the decade 1990-2000; and

(3) That, the other basin States have consistently attempted to impeach the validity of these studies without success.

It is most interesting to note here the attempts of the other basin States to discredit these studies performed by the Department of the Interior, when on the other hand, the other basin States insist upon the inclusion of the controversial provisions of Title II of H.R. 3300 which require the Department of the Interior to prepare reconnaissance and feasibility studies and investigations providing for augmentation of the water resources of the Colorado River.

Title II of H.R. 3300 is another feature of the bill which we oppose. The purpose of Title II is to authorize the Secretary of the Interior to engage in investigations and studies of the means of augmenting the water resources of the Colorado River, including interbasin transfers and the preparation of reconnaissance and feasibility reports thereon.

We think the provisions of Title II duplicate already existing authority as contained in the Water Resources Planning Act (79 Stat. 244) and the bills passed by both Houses of this Congress establishing a National Water Commission. We support the position of the Administration on this point, and agree that a National Water Commission—

is the appropriate entity to undertake an evaluation of basic issues relative to Colorado River water supply problems.

* * * Advice and guidance on these matters, all relevant to the Colorado Basin's water problems, by a disinterested and objective Commission composed of outstanding citizens

should provide background of great assistance in the formulation of specific proposals. The Commission can be expected to give prompt consideration to the problems of the Colorado River Basin.

The States of the Colorado River Basin have attempted to placate the opposition of other States to the provisions of Title II of H.R. 3300 by adding language which appears to protect "areas of origin" or those States affected by such interbasin transfers of water, which did not appear in similar legislation reported in the 89th Congress.

The provisions of Title II should be stricken from H.R. 3300 for these reasons:

(1) The authority to study interbasin diversion of water already exists in the provisions of the Water Resources Planning Act (P.L. 89-90, 79 Stat. 244), as follows:

SEC. 103. The Council shall establish, after such consultation with other interested entities, both Federal and non-Federal, as the Council may find appropriate, and with the approval of the President, principles, standards, and procedures for Federal participants in the preparation of comprehensive regional or river basin plans and for the formulation and evaluation of Federal water and related land resources projects. Such procedures may include provision for Council revision of plans for Federal projects intended to be proposed in any plan or revision thereof being prepared by a river basin planning commission.

SEC. 104. Upon receipt of a plan or revision thereof from any river basin commission under the provisions of section 204(3) of this Act, the Council shall review the plan or revision with special regard to—

(1) the efficacy of such plan or revision in achieving optimum use of the water and related land resources in the area involved;

(2) the effect of the plan on the achievement of other programs for the development of agricultural, urban, energy, industrial, recreational, fish and wildlife, and other resources of the entire Nation; and

(3) the contributions which such plan or revision will make in obtaining the Nation's economic and social goals.

Based on such review the Council shall—

(a) formulate such recommendations as it deems desirable in the national interest; and

(b) transmit its recommendations, together with the plan or revision of the river basin commission and the views, comments, and recommendations with respect to such plan or revision submitted by any Federal agency, Governor, interstate commission, or United States section of an international commission, to the President for his review and transmittal to the Congress with his recommendations in regard to authorization of Federal projects.

(2) The Committee on Interior and Insular Affairs, and the Congress do not have available the preliminary information and analysis to justify authorization of the study provisions of Title II of H.R. 3300.

(3) The Committee and the Congress do not have available the necessary information as to the costs of the studies authorized by Title II of H.R. 3300.

Two other points should be observed concerning Title II of H.R. 3300. The first, is that the states of the Colorado River Basin, other than Arizona, have agreed to the authorization of the Central Arizona Project, if and only if, the bill contains the provisions providing for a costly feasibility study on augmenting the water resources of the Colorado River. The second observation is that the study provisions of Title II make the responsibility of augmenting the water supply and the costs associated therewith a federal responsibility to be paid for by all the taxpayers of the United States and not the requirement or fiscal responsibility of the Colorado River Basin States.

The creation of this federal responsibility for augmenting the water supplies of the Colorado River was most cleverly designed to arise from the requirements of the Mexican Water Treaty.

IV. THE MEXICAN WATER TREATY

We are opposed to the provisions of Section 202 of H.R. 3300 which will make the satisfaction of the requirements of the Mexican Water Treaty a national obligation. We oppose shifting the burden of the Mexican Water Treaty from the Colorado River, where it belongs, to other parts of the Country, where it does not belong, at the expense of the people of the United States who should not bear it. We oppose the assumption of this burden as a national obligation and we are opposed to the covert effect of these provisions as stated in H.R. 3300.

The position of the seven Colorado River Basin States on this issue is quite clear and has been proudly stated in this manner:

* * * In our bill last year we had a little feature that went almost completely unnoticed, and there was little controversy about it. That feature provided that the federal government would assume the Mexican Treaty burden, picking up the tab for the first 2.5 million acre feet of augmentation of the river. That little item, all by itself, could mean perhaps about \$2.5 billion to the states of the Colorado River Basin, the equivalent of about two Hualapai Dams. I think such a transfer of that burden is still possible and ought to be getting our maximum attention and effort. I think that what we can do for ourselves in this area is a lot more important than grouching about the loss of those two dams.

The logic of shifting the burden of the Mexican Water Treaty is most interesting. First, the Colorado River Basin States concluded that there was insufficient water in the river to satisfy the requirements of all the basin States. They then concluded that means must be found to augment the water supply or reduce the requirements. The question then followed as to how augmentation could be accomplished and at whose expense. The next step is most obvious.

The basin States concluded that since the federal government burdened the river with the requirement to deliver 1.5 million acre-feet of water annually plus losses to the Republic of Mexico, the federal government should assume this obligation and be responsible for augmenting the water resources of the Colorado and the costs associated

therewith. This logic supposedly creates the federal responsibility as provided in Title II of H.R. 3300, to the States of the Colorado River Basin.

The Colorado River Basin States, all of them, knew as early as 1922, at the time of the Colorado River Compact, that the Republic of Mexico had been using and was entitled to the use of the water in the Colorado River. They have all known since 1944, when the Mexican Water Treaty was ratified, precisely what amount of water that would be.

The discussions of water for Mexico occupied a prominent part in the negotiations for the compact between the basin States. Now, the Colorado River Basin States have concluded that the apportionment of Colorado River water to Mexico under the Treaty was done on the basis of a mistake in judgment as to the amount of water in the Colorado River. The Colorado River Basin States have thus stated, *afortiori*, the federal government has a responsibility to correct this mistake in judgment and should do so by assuming the obligations of the Mexican Water Treaty.

With this logic we cannot agree. This shallow reasoning covertly attempts to saddle the other States of the Nation with the costs of studying, planning and augmenting the water supply of the Colorado River as a federal responsibility and not a responsibility of the seven basin states.

Assuming the Mexican Water Treaty may have been negotiated on the basis of a mistake in judgment as to the amount of water available for delivery to Mexico, such mistake appears to be a unilateral mistake to which the seven states of the Colorado River Basin long ago assented. There is no evidence of a mutual mistake of fact in the negotiation of the Mexican Water Treaty which in equity might call for the recession or renegotiation of this agreement.

The Mexican Water Treaty is as much a fact of life for the States of the Colorado River Basin, as it is for the federal government. The Treaty is as much a part of the "law of the river" to which the basin states pledge their allegiance day in and day out, when it suits them to do so—as is the geology of the area or the paucity of precipitation that is one of its characteristics. And, the basin States ought to have planned accordingly.

If there were no Mexican treaty and these States were planning a project to import 2,500,000 acre-feet of water into their basin to bolster their water-short economy, there is no question but that they would be obligated to pay for it. The case is no different here. For what absolving them from the burden of the Mexican treaty means is that they will have 2,500,000 acre-feet of water more than they now have to bolster that same economy. They should be required to pay for it either out of power revenues or from taxes on themselves or by some other means, and project planning should be required to proceed on the assumption that they will have to do so.

The bill, as amended, goes further than this. It is abundantly clear that all costs associated with bringing these 2,500,000 acre-feet of water into the Colorado Basin will be nonreimbursable, but the bill is seductively vague on how the costs of the other investigations and studies will be allocated. Absent anything in the bill to the contrary, we read this as an invitation to assign all the basic costs of the works

to satisfying the Mexican Treaty requirement. We read it, in other words, as an invitation to load on the American taxpayer not only the Mexican Treaty's proportionate share of the cost of the importation works but a good deal more than this in addition. This is unjustified.

V. THE UPPER BASIN PROJECTS

We also oppose those provisions of Title V of H. R. 3300 which authorize five (5) participating projects under the Colorado River Storage Project Act. These projects are: the Animas-La Plata, Colorado, New Mexico and the Dolores, Dallas Creek, West Divide and San Miguel projects in Colorado.

The authorization of these projects and the inclusion of a number of provisions affecting upper and lower Colorado River Basin relationships constitute the ransom extorted by the States of the Upper Colorado River Basin as their price for supporting the authorization of the Central Arizona Project.

Considerable testimony before the Committee concerned the availability of water and the rate of Upper Basin depletions which would occur by the authorization and construction of the Upper Basin Projects. As a result of the time consumed on the Upper Basin depletions, the Committee received little or no testimony concerning the economic and financial feasibility of the Upper Basin Projects.

In authorizing these five Upper Basin projects H. R. 3300 again goes far beyond the position of the Administration in support of this legislation. In transmitting the planning reports on these projects to the Congress, only the Animas-La Plata and Dolores projects were recommended. The Bureau of the Budget has recommended deferral of the three other projects pending the establishment of the National Water Commission and completion of its review of related water problems.

The position of the Administration is more fully disclosed by the following letter:

EXECUTIVE OFFICE OF THE PRESIDENT,

BUREAU OF THE BUDGET,

Washington, D.C., April 30, 1966.

HON. STEWART L. UDALL,
Secretary of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: This is in reply to your letters of April 6 and 13, 1966, submitting your proposed reports on the Dallas Creek, San Miguel, West Divide, and Animas-La Plata projects in Colorado. These Upper Colorado Basin projects, together with the Dolores project on which we advised you earlier, would be authorized under the provisions of a revision of H.R. 4671 (found in House Interior Committee Print No. 19), legislation to authorize the Lower Colorado River Basin project, which is now under consideration in the Congress. This legislation would also authorize the central Arizona project, Bridge and Marble Canyon Dams, and related works in the Lower Colorado Basin as features of an overall Colorado Basin development.

Except for San Miguel, the projects meet the conventional direct benefit-cost ratio criterion. However, all five projects have a high cost per acre and investment per farm, and the irrigation cost per

acre for Dallas Creek, San Miguel, and West Divide are among the highest for reclamation projects. In all cases, irrigation farmers will be heavily subsidized by assistance from power revenues and the percentage repayment of irrigation cost by water users is only a small fraction of the irrigation allocation. Since these new projects in the Upper Colorado Basin would require such heavy subsidies for irrigation farmers, we question the desirability in areas of critically short water supply of Federal Government sponsorship without further consideration of both alternative uses and of supplemental water sources.

Our specific comments on the individual projects are as follows:

DOLORES PROJECT

The Dolores project, which we cleared in our letter to you of May 4, 1966, has a cost per acre for the irrigation allocation of \$630 and a direct 100-year benefit-cost ratio just above unity (1.07:1). The irrigation investment per farm would be approximately \$140,000. The repayment of the irrigation allocation is low (16.8 percent) and, as we noted in our earlier letter, the charges for municipal and industrial water might be raised to help pay for the project and reduce power subsidies from the Upper Colorado River Basin fund.

ANIMAS-LA PLATA PROJECT

The revised Animas-La Plata project would also have a heavy dependence on power revenues, with a water users repayment of only 13.1 percent. The investment per farm would be about \$157,000. The project has a cost per acre of \$840 and a low direct benefit-cost ratio (1.1:1). While there appears to be no immediate need for the 23,500 acre-feet of municipal and industrial water that would be delivered to the Ute Mountain Tribe Reservation, the allocation of this water for these purposes rather than irrigation improves the project. The charge for municipal and industrial water seems very low considering that it will probably be used in large part for developing a profitable coal-steam power industry.

DALLAS CREEK PROJECT

The Dallas Creek project has a very high cost per acre (\$1,140) and the irrigators' repayment is low (11.9 percent). The investment per farm would be about \$192,000. We agree with the comment of the Department of Agriculture that the economic growth of the area would be stimulated more by the planned development of additional municipal and industrial water supply to meet future demands rather than allocating large amounts of water to irrigation. We also agree with the comment of the State of Nevada that the charge on the contemplated municipal and industrial water could be increased to help in the direct repayment of the project.

WEST DIVIDE PROJECT

The West Divide project has one of the highest costs per acre (\$1,710) of any reclamation project. The investment per farm would be approximately \$273,000. We also question whether there is enough

demand in the near future to necessitate the immediate authorization of this project and believe it would be preferable for the project to be deferred until it is clear that there will be a real demand for the project water for the development of oil shale reserves. However, if the oil shale reserves are developed, it would seem to be an unwise use of resources to commit water to irrigation if the future demands for municipal and industrial water are as great as anticipated in the project report. Furthermore, we agree with the State of Nevada that the water charge for municipal and industrial water could be substantially increased, particularly in light of the commercial development of the oil shale resources.

SAN MIGUEL PROJECT

The San Miguel project appears to have the lowest priority of the five projects. It has a very high cost per acre (\$1,310), an extremely low irrigators' repayment (10 percent) with a correspondingly heavy dependence on power revenues and a direct benefit-cost ratio significantly less than unity (0.89:1). The investment per farm would be approximately \$226,000. We agree with the comments of the State of Nevada that the municipal and industrial water charges could be at least doubled.

We fully understand the desire of the State of Colorado to make full use of its compact entitlement to the scarce waters of the Upper Colorado Basin. These five projects would, however, exhaust the remaining supply of water available to the State of Colorado. Further, the situation is somewhat different in the Upper than in the Lower Colorado Basin. In the lower basin, an established economy is faced with an immediate water crisis accelerated by the pressures of population growth. In both the upper and lower basins, nevertheless, the same considerations—population pressures, alternative opportunities for regional development, development for industrial as well as agricultural purposes, demands for water at the lowest possible cost—emphasize the critical importance of planning at this time to use waters available to the States of the Colorado Basin in the most efficient possible way, and thereby, to make an optimum contribution to the future growth of the States, the region, and the Nation.

The revision of H.R. 4671, contained in House Interior Committee Print No. 19, on which hearings are scheduled before the House Interior and Insular Affairs Committee for May 9, 1966, is designed to solve water problems in the Colorado Basin by directing the Secretary of the Interior to consider projects to import up to 8.5 million acre-feet annually, in addition to authorizing developments in the Upper and Lower Colorado Basins, including the Central Arizona project, as noted above. We commented last year on S. 75 and S. 1019, similar bills to authorize certain development in the Lower Colorado Basin and to provide means of augmenting water supplies for that area. However, the revision of H.R. 4671 would apply to both the Upper and Lower Colorado Basins and would go substantially beyond the legislation commented on by the Bureau last year.

These considerations, particularly the major policy and budgetary implications of any proposed major importation of waters as contemplated in the measure now under consideration by the Congress, in our view, underline the importance of prompt establishment of the

National Water Commission recommended by the administration to review these and other complex water problems both in the West and throughout the entire Nation. This Commission, composed of the most able individuals from all related disciplines, would advise on the entire range of water resource problems, from methods to conserve and augment existing water supplies to the application of modern technology, such as desalting, to provide more usable water for our cities, our industries, and our farms. We would favor acceleration of the review of western water problems with particular emphasis on the Colorado Basins. The Commission would also provide a focal point for a considered assessment of the conflicting objectives of power, water supply, and the preservation of areas of unique, scenic value—presented by proposals for dams in the Colorado River Gorge.

In summary, for the reasons expressed above, the Bureau of the Budget would favor deferral of at least the West Divide, San Miguel, and Dallas Creek projects at this time, pending the establishment of the National Water Commission and completion of its review of related water problems. We believe that this course of action will permit water developments needed at this time in the Colorado Basin to proceed, but at the same time provide a basis for thorough consideration of the fundamental issues involved and a recommended program that will be in the best interest of the people of the Upper and Lower Colorado Basin, as well as the Nation as a whole.

Sincerely,

PHILLIP S. HUGHES,
Deputy Director.

On the basis of the position taken by the Administration and because of the lack of testimony before the Committee on the economic and financial justification of these Upper Basin Projects, we think the five (5) projects; the Animas-La Plata, Colorado, New Mexico, the Dallas Creek, West Divide and San Miguel projects in Colorado should not be authorized by H.R. 3300. The authorization of these five (5) projects by H.R. 3300, without detailed testimony on their economic and financial feasibility, is in our opinion, an outstanding example of improper water resource development planning.

VI. THE NEED FOR A CENTRAL ARIZONA PROJECT—A PROPOSAL

Proper water resource development and planning has long called for the authorization of the Central Arizona Project in Arizona.

The need for a Central Arizona Project is so aptly described in the report (Senate Report No. 408) on S. 1004, similar legislation passed by the Senate authorizing the Central Arizona Project, that we adopt and incorporate the narrative as part of our views on the need for a Central Arizona Project. The narrative follows:

VI. NEED FOR THE CENTRAL ARIZONA PROJECT

Central Arizona is one of the fastest growing and most arid regions in the Nation. Historically, development in central Arizona lagged behind most regions in the Nation because of its remoteness and its arid climate. Recently, however, population and economic growth has advanced rapidly, resulting

in the utilization of the area's dormant wealth in agriculture, mining, lumbering and tourist attractions.

The Lower Colorado River Basin, of which central Arizona is a vital part, produces more than a billion dollars worth of vital agricultural products annually. The fact that the Nation has this production now is highly important, but the prospect that the Nation might not have it in the future is alarming. Many specialty crops such as winter lettuce, citrus fruits, garden vegetables, dates and melons are produced in this area. Virtually all of the agriculture depends on irrigation.

A market exists for more produce of this kind than our domestic Southwest now grows. This is seen in the fact that the United States presently imports \$65 million worth of this type farm produce. These imports consist principally of winter vegetables (melons, tomatoes, peppers, peas, and so forth) from irrigated areas south of the Arizona and California borders.

Water is the key element that has made Arizona's economy strong and its spectacular recent growth possible. Without a permanent supply of water, much of this area would revert to desert. This is more than a future possibility, as it has already begun to happen in some areas of the State where water shortages are most critical.

The effects of declining water supply are first felt in the agricultural sector of an area's economy. Diminished yields, greater depths to ground water, lowered water quality, and higher costs are first felt by farmers. Cutbacks in irrigation adversely affect local businesses. Local business is the link with regional and national trade, and reductions are soon transmitted to other States and other areas. If Arizona's water problems are not resolved, repercussions will be manifested in the reduced outflow of agricultural products and the reduced inflow of farm machinery, fertilizers, and other farming inputs.

Urbanization is rapidly expanding in Arizona and in some areas is resulting in the loss of prime agricultural land. This is especially true in central Arizona, because the major metropolitan areas have sprung from towns in the irrigated farming areas, and the very economic base which underlies the growth and vitality of these cities is being taken over in the population explosion. For example, the incorporated area of Phoenix, Ariz., has increased from 17.1 square miles to 222.7 square miles during the last 14 years. The demand for more agricultural land for industry, for business, for residences, for schools, parks, and recreation, will continue as the agriculture land base declines.

The transition from an agricultural economy dependent on irrigation to a strong, diversified industrial economy is inevitable. It is also desirable, because industrial and municipal uses of water will, in the long run, support a larger and more affluent population than will predominantly agricultural uses of water. And this is a very important consideration in an area which will probably always have to live with-

in definite constraints on the availability of water supplies. Basic changes such as these in the structure and fabric of a region's economy and way of life do not normally occur overnight, however; and when they do, they are usually accompanied by tragic dislocations which disrupt the economy of the area, the well-being of its institutions and the security and the aspirations of its people.

S. 1004 is in part based on a recognition of the need for a gradual transition toward a predominantly municipal and industrial use of water. Accordingly, water supplied under the project is to supplement existing supplies and no new lands are to be irrigated. Water supplied by the Central Arizona Project will allow Arizona to utilize its share of Colorado River water awarded and decreed by the Supreme Court. It will also provide time to diversify the economy, to plan, and to implement procedures which will avoid the crises which too often accompany a region's realization that economic growth must take place within the confines of a limited water supply.

The outstanding growth of manufacturing in the past 10 years is partially a result of the contribution of agriculture which furnishes substantial quantities of the raw materials processed through the factories. The bulk of the growth in manufacturing, however, has resulted from expansion in products of the communications, space, and aircraft industries. This trend should continue in the future.

ARIZONA'S RANK BY 7 IMPORTANT INDEXES OF GROWTH

	Rank among States	Percent gain, 1953-63
Growth of manufacturing employment.....	1	97
Growth of nonagricultural employment.....	2	89
Growth of population.....	2	74
Growth of passenger car registrations.....	2	117
Growth of bank deposits.....	1	162
Growth of personal income.....	3	132
Growth of life insurance in force.....	2	350

Much of the water used in Arizona in the past has come from large ground water basins. Water stored in these reservoirs has accumulated over millions of years. Mining of this ground water resource (pumping of the ground water at a rate faster than it can be recharged naturally), has largely supported the area's growth.

In the desert, ground water recharge from precipitation is minimal. Historically, the major source of natural recharge came from rivers flowing onto and across the desert. Today this recharge is restricted to exceptionally wet water years when the highly developed reservoir systems fill and surplus water can flow downstream into the recharge area. As the streamflow has been diverted from natural streams into canals and farmland the recharge from agriculture and municipal uses has increased. However, even with this recharge the current average annual rate of ground water

decline in the area has been about 10 feet per year with a large portion of the area experiencing a decline of as much as 20 feet or more.

The average water table depth in 1940 was only about 70 feet below ground surface. By 1964 the average had dropped to 200 feet with depths as great as 500 feet. Pump lifts associated with these water table levels vary from 250 to 600 feet. Judging from the present rate of ground water withdrawal, the average water table can be expected to fall about 300 feet or lower by 1975; and this fall in water tables will be accompanied by corresponding increases in pumping lift from wells.

Water quality frequently becomes poor at greater depths because of deep deposits of salts and gypsum. This poor quality water must be diluted with better quality water from other sources to avoid salt concentrations which exceed the minimum agricultural and public health standards. In fact, a great deal of the water presently used in central Arizona now exceeds these minimum standards.

Because of pumping costs, poor water quality, and the physical limitations imposed by the variable nature of the underground storage, the entire volume of underground water cannot be considered available for use. The present net rate of overdraft of about 2 million acre-feet per year will drastically deplete this largely nonreplenishable resource before adequate water is available to bring supply and demand in balance.

Water use in Arizona in the past has been predominantly for agriculture. As late as 1960 more than 90 percent of the water used in central Arizona was used for agricultural purposes. As the urban areas of Phoenix and Tucson expand, this relationship of water use is changing rapidly. The rate of change is expected to accelerate in the future as the population continues to expand and as industrial development increases.

Central Arizona Project water will be marketed through qualified contracting agencies, principally municipalities and irrigation districts. The chief immediate result of purchases of project water by either of these two types of users will be a reduction in present overdrafts on the ground water, which in turn will result in prolonged availability of water for all uses. The use of project water to satisfy the growing urban needs will slow the pace of the preemption of agricultural water which is now taking place.

In brief, the Central Arizona Project is needed to—

1. Reduce a dangerous overdraft upon ground water reserves.
2. Maintain as much as possible of the area's 1,250,000 acres of irrigated farm land.
3. Provide a source of additional water for municipal and industrial use that will be required during the next 30 years.

The need for the Central Arizona Project was succinctly summarized by Stewart Udall, the Secretary of the Interior, during the hearings in the following language:

"In respect of the second principal objective of our proposed program for the Colorado River Basin, that of alleviating the most immediately urgent water supply deficiencies, the required action at this time in the Lower Basin remains the authorization and construction of the Central Arizona Project.

"The rapidly lowering ground water levels, the agricultural lands going out of production, the expanding population, the mounting needs for municipal and industrial water, and the prospects of economic stagnation if relief is not provided, all urge strongly for the need to go ahead with the Central Arizona Project?

"I think this needs no further argument to establish that it is the great and pressing need in the basin at the moment."

We agree that Arizona's needs for supplemental water from the Colorado River are most critical and will become more so as time goes on. We agree too, that to maintain the existing economy of Arizona and to supply the needs of growing municipal and industrial use, the Central Arizona Project should be authorized without further delay.

We also believe the next logical step in the water resource development of the Colorado River Basin is the authorization, construction, operation and maintenance of the Central Arizona Project. We therefore submit a proposal, the purpose of which is to authorize the Central Arizona Project, minus the controversial provisions of H.R. 3300. Our proposal is as follows:

A BILL To authorize the construction, operation, and maintenance of the Central Arizona Project, Arizona-New Mexico, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. That this Act may be cited as the "Central Arizona Project Act".

SEC. 2. (a) For the purposes of furnishing irrigation water and municipal water supplies to the water deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, generation of electric power and energy, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall construct, operate, and maintain the Central Arizona Project, consisting of the following principal works: (1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system shall have a capacity of not less than three thousand cubic feet per second; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so

operated as to not prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity numbered 59); (4) Conner Dam and Reservoir or suitable alternative, which shall be constructed in such a manner as to give effect to the provisions of subsections (f), (g), and (h) of this section; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueduct; (8) canals, regulating facilities, hydroelectric powerplants, and electrical transmission facilities; (9) related water distribution and drainage works; and (10) appurtenant works: *Provided*, That nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the rights of Arizona under the decision in Arizona against California (373 U.S. 546). The terms "consumptive use" and "main stream" as used in this Act shall have the meanings assigned to those terms in the decree in Arizona against California, dated March 9, 1964 (376 U.S. 340).

(b)(1) The Secretary may enter into an agreement with non-Federal interests proposing to construct a thermal generating powerplant whereby the United States shall acquire the right to such portion of the capacity of such plant, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the Central Arizona Project. Power and energy acquired thereunder may be disposed of intermittently by the Secretary when not required in connection with the Central Arizona Project. The agreement shall provide, among other things, that—

(i) The United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplant, and of any switchyards and transmission facilities serving the United States, as is represented by the ratios of the respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of preparation of designs and specifications, in such installments as will facilitate a timely construction schedule, but no funds other than for preconstruction activities shall be made available by the Secretary until he determines that adequate contracts have been entered into between all the affected parties covering land, water, fuel supplies, power (its availability and use), rights-of-way, transmission facilities, and all other necessary matters for the thermal generating powerplant: *Provided*, That nothing in this section or in this Act contained shall be construed to authorize the study or construction of any dams on the main stream of the Colorado River or its tributaries between Hoover Dam and Glen Canyon Dam;

(ii) In entering into the contracts between the United States and the other interested parties the United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplant and appurtenances;

(iii) Annual operation and maintenance costs, including provisions for depreciation (except as to depreciation on the pro rata share of construction cost borne by the United States in accordance with the foregoing subdivision (i)) shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing subdivision (i);

(iv) Costs to be borne by the United States under subdivisions (i) and (iii) shall not include (a) interest and interest during construction, (b) financing charges, (c) franchise fees, and (d) such other costs as shall be specified in the agreement;

(v) This section and other relevant parts of this law shall not be construed as precedent for the Department of the Interior, Bureau of Reclamation, or any other Federal agency to enter into the construction of a thermal powerplant or plants.

(2) The thermal generating plant referred to in subparagraph (1) of this subsection shall be located in Arizona, and if it is served by water diverted from the drainage area of the Colorado River system above Lee Ferry, consumptive use of water in connection therewith shall be charged against the apportionment to Arizona made by article III(a) of the Upper Colorado River Basin compact (63 Stat. 31) and such use shall not increase Arizona's entitlement to consumptive use under said compact: *Provided*, That if at any time during the operation of the Central Arizona Project, there is any change in the powerplant heretofore authorized which shall result in the diminution of water consumed in the cooling towers or recovered from the cooling towers, or otherwise, such reduction and, or recovery, shall be credited solely to Arizona.

(c) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges, and, with the approval of the Secretary, State-administered wildlife management areas.

(d) (1) Irrigation and municipal and industrial water supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other

arrangements whereby each such organization makes water from the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval and the United States shall, if the Secretary determines such action is desirable to facilitate carrying out the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this subparagraph (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

(2) Any obligation assumed pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9(e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(e)) may be on the basis of delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes. Notwithstanding any other provisions of law no contract relating to an irrigation water supply under the Central Arizona Project from the main stream of the Colorado River shall commit the United States to deliver such supply for a basic period of more than fifty years plus any development period authorized not to exceed ten years, for each project contract unit or irrigation block, nor shall such a contract carry renewal or conversion rights or entitle the contractor to water beyond expiration of the delivery periods specified therein. In negotiating new contracts for delivery of such main stream water, the Secretary shall consult with representatives of the State of Arizona and the Secretary shall take into consideration the overall water supply and needs of the Central Arizona Project.

(3) Contracts relating to municipal and industrial water supply under the Central Arizona Project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

(e) Each contract under which water is provided under the Central Arizona Project shall require that (1) there be

in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings, adequate in his judgment to prevent excessive conveyance losses; and (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the service area of a contractor receiving water from the Central Arizona Project for any use outside said **contractor's service area** unless the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required; and (4) all agricultural, municipal, and industrial waste water, return flow, seepage, sewage effluent, and ground water located in or flowing from contractor's service area originating or resulting from (i) waters contracted for from the Central Arizona Project or (ii) waters stored or developed by any Federal reclamation project are reserved for the use and benefit of the United States as a source of supply for the service area of the Central Arizona Project or for the service area of the Federal reclamation project, as the case may be: *Provided*, That notwithstanding the provisions of clause (3) of this subsection, the agricultural, municipal, and waste water, return flow, seepage, sewage effluent, and ground water in or from any such Federal reclamation project, may also be pumped or diverted for use and delivery by the United States elsewhere in the service area of the Central Arizona Project, if not needed for use or reuse in such Federal reclamation project.

(f) The Secretary may require in any contract under which water is provided from the Central Arizona Project that the contractor agree to accept main stream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system, to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (h) of this section: *Provided*, That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

(g) In times of shortage or reduction of main stream Colorado River water for the Central Arizona Project, as determined by the Secretary, users which have yielded water from other sources in exchange for main stream water supplied by that project shall have a first priority to receive main stream water, as against other users supplied by that project which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

(h) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New

Mexico for water from the Gila River, its tributaries and underground water sources, in amounts that will permit consumptive use of water in New Mexico not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until and shall continue only so long as delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversions from the Gila River, its tributaries and underground water sources. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved. All additional consumptive uses provided for in this subsection shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity numbered 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries and underground water sources, and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

(i) For a period of ten years from the date of the first delivery of water to the Central Arizona Project, no water from the projects authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

(j) The Dixie project, heretofore authorized in the State of Utah, is hereby reauthorized for construction at the site determined feasible by the Secretary and the Secretary shall integrate such project into the repayment arrangement and participation in the Lower Colorado River Basin Development Fund established by section 5 of this Act consistent with the provisions of this Act.

SEC. 3. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the Central Arizona Project works authorized pursuant to this Act shall be in accordance with provisions of the Federal Water Project Recreation Act (79 Stat. 213).

SEC. 4. The Secretary shall determine the repayment capability of Indian lands within, under, or served by the Central Arizona Project. Construction costs allocated to irrigation of Indian lands (including provisions of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 464), and such costs as are beyond repayment capability of such lands shall be paid from the Lower Colorado River Basin Development Fund.

SEC. 5. (a) There is hereby established a separate fund in the Treasury of the United States, to be known as the Lower Colorado River Basin Development Fund (hereafter called the "Development Fund"), which shall remain available until expended as hereafter provided, for carrying out the provisions of section 2 of this Act, and to be expended or applied in connection with water conservation and development for the Lower Colorado River Basin as may hereafter be prescribed by the Congress.

(b) All appropriations made for the purpose of carrying out the aforesaid provisions of section 2, and such projects as are hereafter authorized by the Congress for water conservation and development for the Lower Colorado River Basin, shall be credited to the Development Fund as advances from the general fund of the Treasury and shall be available for such purposes.

(c) There shall also be credited to the Development Fund—

(1) All revenues collected in connection with the operation of the works and facilities authorized pursuant to section 2 and hereafter authorized in furtherance of the purposes of this Act (except entrance, admission, and other recreation fees or charges and proceeds received from recreation concessionaires); and

(2) All Federal revenues from the Boulder Canyon and Parker-Davis projects, which, after completion of repayment requirements of the said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of those projects: *Provided, however,* That the Secretary is authorized and directed to continue the in-lieu-of-taxes payments to the States of Arizona and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon project; and

(3) All Federal revenues from the portion of the Pacific Northwest-Pacific Southwest intertie, located in the States of Nevada and Arizona which, after completion of repayment requirements of the said part of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said portion of the Pacific Northwest-Pacific Southwest intertie and related facilities.

(d) All revenues collected and credited to the Development Fund pursuant to this Act shall be available, after proper reports have been made to the Committees on Interior and Insular Affairs of the Senate and House of Representatives, and when appropriated for—

(1) defraying the costs of operation, maintenance and replacements of, and emergency expenditures for, all facilities of the project within such separate limitations as may be included in annual appropriation Acts;

(2) payments, if any, as required by section 7 of this Act;

(3) payments as required by subsection (f) of this section; and

(4) payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 2 of this Act.

(e) Revenues credited to the Development Fund shall not be available for construction of the works authorized pursuant to section 2 of this Act except on appropriation by the Congress.

(f) Revenues in the Development Fund in excess of the amount necessary to meet the requirements of clauses (1), (2), and (4) of subsection (d) of this section shall be paid annually to the general fund of the Treasury to return—

(1) the costs of the project or separable features thereof, authorized pursuant to section 2 of this Act which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act, within a period not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law; and

(2) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance with the provisions of subsection (g) of this section, and interest due shall be a first charge.

(g) The interest rate applicable to those portions of the reimbursable costs of the Central Arizona Project which are properly allocated to commercial power development and municipal and industrial water supply shall be at a rate not less than (i) a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of similar loans, adjusted upward to the nearest one-eighth of 1 per centum, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such project, plus (ii) such additional charge,

if any, toward covering other costs of the program as the Secretary may determine to be consistent with its purposes.

(h) Business-type budgets shall be submitted to the Congress annually for all operations financed by the Development Fund.

SEC. 6. The Secretary may undertake programs for water salvage along and adjacent to the main stream of the Colorado River and for ground water recovery. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary.

SEC. 7. The Upper Colorado River Basin fund established under section 5 of the Act of April 11, 1956 (70 Stat. 107), shall be reimbursed from the Colorado River Development Fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 774), for all expenditures heretofore or hereafter made from the Upper Colorado River Basin fund to meet deficiencies in generation at Hoover Dam during the filling period of reservoirs of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed Reg. 6851, July 19, 1962). For this purpose \$500,000 for each year of operation of Hoover Dam and powerplant, commencing with the enactment of this Act, shall be transferred from the Colorado River Development Fund to the Upper Colorado River Basin fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin fund from net revenues derived from the sale of electric energy generated at Hoover Dam.

SEC. 8. Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River compact (45 Stat. 1057), the Upper Colorado River Basin compact (63 Stat. 31), the water treaty of 1944 with the United Mexican States (Treaty Series 994), the decree entered by the Supreme Court of the United States in Arizona against California and others (376 U.S. 340), the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774), or the Colorado River Storage Project Act (70 Stat. 105).

SEC. 9. The Secretary is directed to—

(a) make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1965. Such reports shall include a detailed breakdown of the beneficial consumptive use of water on a State-by-State basis. Specific figures on quantities consumptively used from the major tributary streams flowing into the Colorado River shall also be included on a State-by-State basis.

Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and to the Governors of each State signatory to the Colorado River compact;

(b) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River compact.

SEC. 10. (a) The Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River Storage Project Act and the Boulder Canyon Project Act, consistent with the provisions of those statutes, the Boulder Canyon Project Adjustment Act, the Colorado River compact, the Upper Colorado River compact, and the Mexican Water Treaty. To effect in part the purposes expressed in this paragraph, the criteria shall make provision for the storage of water in storage units of the Colorado River storage project and releases of water from Lake Powell in the following listed order of priority:

(1) Releases to supply one-half the deficiency described in article III(c) of the Colorado River compact, if any such deficiency exists and is chargeable to the States of the upper division.

(2) Releases to comply with article III(d) of the Colorado River compact.

(3) Storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three lower division States and taking into consideration all relevant factors (including, but not limited to, historic streamflows, the most critical period of record, and probabilities of water supply), shall find to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the lower division to the use specified in article III(e) of the Colorado River compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

(b) Not later than January 1, 1970, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the Governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their

review and comment. After receipt of comments on the proposed criteria, but not later than July 1, 1970, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1972, and yearly thereafter, the Secretary shall transmit to the Congress and to the Governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the Governors of the seven Colorado River Basin States and appropriate consultation with such State representatives as each Governor may designate.

(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

SEC. 11. (a) Rights of the upper basin to the consumptive use of water apportioned to that basin from the Colorado River system by the Colorado River compact shall not be reduced or prejudiced by any use of such water in the lower basin.

(b) Nothing in this Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission.

SEC. 12. Part I of the Federal Power Act (41 Stat. 1063; 16 U.S.C. 791a-823) shall not be applicable to the reach of the Colorado River between Lake Mead and Glen Canyon Dam until and unless otherwise provided by Congress.

SEC. 13. Except as otherwise provided in this Act in constructing, operating, and maintaining the Central Arizona Project, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388 and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

SEC. 14. (a) All terms used in this Act as defined in the Colorado River compact shall have the meanings there defined, unless changed by the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340).

(b) "User" or "water user" in relation to main stream water in the lower basin means the United States, or any person or legal entity, entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), to use main stream water when available thereunder.

(c) "Active storage" means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works.

(d) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming.

SEC. 15. There is hereby authorized to be appropriated for construction of the Central Arizona Project, including prepayment for power generation and transmission facilities, but exclusive of distribution and drainage facilities for non-Indian lands, and the Dixie project in the State of Utah heretofore reauthorized in section 2(j) of this Act, the sum of \$837,000,000, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved herein, and not to exceed \$100,000,000 for construction of distribution and drainage facilities for non-Indian lands and, in addition thereto, such sums as may be required for operation and maintenance of the project.

Amend the title so as to read: "A bill to authorize the construction, operation, and maintenance of the Central Arizona Project, Arizona-New Mexico, and for other purposes."

VII. SECTION-BY-SECTION ANALYSIS

Section 1

This section provides that this act may be cited as the "Central Arizona Project Act."

Section 2(a)

Section 2(a) sets forth the purposes of the Central Arizona Project and describes the principal works.

The backbone facilities of the Central Arizona Project are the Granite reef, Salt-Gila, and Tucson aqueducts, which will convey pumped Colorado River water to the central service zone. Major project features include:

- Granite Reef aqueduct and pumping plants.
- Salt-Gila aqueduct and pumping plant.
- Orme Dam and Reservoir (designated as McDowell Dam and Reservoir in the 1947 report) or suitable alternative.
- Tucson aqueduct and pumping plants (Colorado River source).
- Buttes Dam and Reservoir.
- Hooker Dam and Reservoir (New Mexico).
- Charleston Dam and Reservoir.
- Tucson aqueduct (San Pedro River source).

Aqueduct system

Granite Reef aqueduct.—The Granite Reef aqueduct will transport water diverted from Lake Havasu by the Havasu pumping plant about 200 miles to Orme Dam located a few miles northeast of Phoenix. The designed capacity of the concrete-lined aqueduct is 3,000 cubic feet per second. The Granite Reef aqueduct, in addition to the initial pumping plant at Lake Havasu, will require a series of lower lift pumping plants, short tunnels, and siphon crossings at major drainages.

Orme Dam and Reservoir.—Located on the Salt River just downstream from its junction with the Verde River, the Orme Dam will be operated with the present Salt River project storage system as well as the aqueduct system from the Colorado River. Sediment-laden storm-flows, originating on tributaries below Bartlett and Stewart

Mountain Dams, will be regulated and controlled. Coordinated with operation of the Granite Reef aqueduct, it will provide regulatory storage as needed for both Salt-Verde flows and Granite Reef aqueduct deliveries. In its multiple-purpose role it will serve as an after-bay, reregulate releases from upstream reservoirs, improve the Salt River project operating conditions by removing sediment, create a recreational area with fish and wildlife conservation uses, and in combination and coordination with the upstream reservoirs and downstream channelization, provide storage to meet the flood control requirements of the Salt River through the Phoenix area.

Salt-Gila aqueduct and pumping plant.—The 1,800-cubic-feet-per-second-capacity Salt-Gila aqueduct will receive water either directly from the Granite Reef aqueduct or by releases from Orme Reservoir. A relatively low-head pumping plant is required to lift the water into the aqueduct from either source.

Buttes Dam and Reservoir.—Although investigated and reported previously as a separate facility, Buttes Dam and Reservoir was included as an integral part of the Central Arizona Project in the 1947 report and in the 1964 supplemental report. An earthfill structure, the Buttes Dam will form a reservoir of 366,000 acre-foot capacity. Conservation storage capacity will be 100,000 acre-feet, and 266,000 acre-feet of capacity will be used for sediment and flood control purposes.

Tucson aqueduct (Colorado source).—An aqueduct to deliver 100,000 feet annually to the Tucson metropolitan area will originate at the terminus of the Salt-Gila aqueduct. This municipal and industrial water supply will be conveyed through a 150-cubic feet per second-capacity pipeline and would be lifted 920 feet by a series of pumping plants.

Charleston Dam and Reservoir.—On the San Pedro River between Tombstone and Fort Huachuca, a concrete gravity structure rising 158 feet above streambed, with earthen wing dams, will create a 238,000 acre-foot capacity reservoir. Water conservation will be provided through exchanges. Recreation, fish, and wildlife uses, sediment detention, and flood control benefits will also accrue.

Tucson aqueduct (San Pedro source).—This conduit will convey about 12,000 acre-feet annually from the Charleston Reservoir to Tucson and vicinity.

Conner Dam and Reservoir.—Conner Dam would be located downstream from the Cliff-Gila Valley. The dam will be constructed to a size adequate to provide for new consumptive uses of 18,000 additional acre feet of water annually by New Mexico. The reservoir will provide water supplies, fish and wildlife uses, recreation, sediment detention, and flood control.

This provision differs from the provision in H.R. 3300, as amended, which authorizes the construction of "Hooker Dam or suitable alternative" on the Gila River in New Mexico.

Construction at the Hooker site of a dam high enough to store the amount of water allocated to New Mexico would result in the backing of slack reservoir water across land within the Gila primitive area, which is subject to review for future inclusion in the national wilderness preservation system, and through the Gila Gorge some 9 miles within the Gila wilderness area.

The Gila wilderness area is one of 54 units of the National Wilderness Preservation System established by the Congress just 4 years ago, by means of the Wilderness Act (Public Law 88-577), "to secure for the American people of present and future generations the benefits of an enduring resource of wilderness." Through the leadership of the late Aldo Leopold, it also was the first wilderness established by the Forest Service in the United States, in 1924. It should not be degraded by a man-made, unnatural intrusion as provided for in H.R. 3300.

If the Forest Service is going to be able to fully protect the Gila Wilderness from nonconforming uses and developments, H.R. 3300 should be amended to eliminate all reference to the Hooker site. The Conner site will avoid this direct threat to the wilderness area. The phrase, "Hooker Dam or suitable alternative", is not preferable to the language "Conner Dam or suitable alternative." Many members of the full committee favored this language over the present language of H.R. 3300 which, as a minimum, must be interpreted by the Secretary of the Interior as a clear mandate to find an alternative to the Hooker site.

During the committee's consideration of this portion of the bill, it became obvious that adequate, up-to-date technical studies of the Hooker project, and the most feasible alternatives based on the provisions of the current legislation, were lacking. Because the Wilderness Act requires a determination that a water-development project within a wilderness will better serve the interests of the United States than will its denial, and because the necessary study had not been made that would have furnished the facts on which the committee could have made a decision, the committee amended the bill to require such a study (the "Hooker Dam or suitable alternative" language). This amendment—while it does not go as far toward eliminating Hooker Dam as is needed—intends that the Secretary of the Interior shall study the project, taking into account at least the following:

1. The uses to which the water would be put and the benefits that would accrue to the people of the United States; 2. Comparative advantages of different methods of providing the water, such as, but not restricted to, reservoir storage at various sites, purification of brackish water, and pumping from underground sources; 3. Means for protecting existing water rights; 4. Damage to the natural environment, wildlife, and scenic resources, particularly those public lands within the wilderness area and primitive area; 5. The construction, maintenance, and other costs of dams at the Hooker site, Conner site, other suitable sites, or other alternative water supply methods.

We would like to point out that other wilderness areas will be in great jeopardy if a reservoir and associated developments are permitted in this unit of the National Wilderness Preservation System. We understand that, in Montana, the Bureau of Reclamation has plans to flood out part of the Bob Marshall Wilderness Area by a dam on the Sun River. Also in Montana, the proposed Glacier View Dam would flood irreplaceable wilderness lands in Glacier National Park. Plans exist to construct water-development projects that would invade the Flat Tops wilderness in Colorado, the High Uintas in Utah, and primitive areas in Idaho. The Hooker Dam proposal is a test case. We believe it marks a crisis in the history of wilderness preservation in the United States.

An excellent summary of the potential impact of Hooker Dam on the Gila wilderness, and of the advantages of the alternative Conner site, was published recently by The Wilderness Society, a respected national conservation organization, which with other national conservation groups strongly opposes the authorization of this dam. We quote part of its report:

The Gila River canyon in the Hooker reservoir area is steep and narrow, strictly limiting use of the reservoir for recreational purposes. Precipitous, rocky terrain would make a recreation access road to the reservoir very expensive to build. Few locations on the steep slopes around the reservoir would allow adequate campground, parking, or boat-launching facilities. An alternate damsite downstream—the Conner site—would provide additional recreational facilities without destroying wilderness values.

The Hooker project would destroy extraordinarily scenic wilderness lands and miles of wilderness river, eliminate significant fisheries and wildlife habitat, and obstruct access to the wilderness by foot and horseback.

In summary, we believe the Congress should accept the judgment it made in 1964 when it placed the Gila wilderness in the wilderness system, and should not now authorize a reservoir project which will invade the Nation's first wilderness and set a pattern for other invasions of the National Wilderness Preservation System in the future.

Distribution systems.—In all areas an improvement in conveyance and distribution system efficiencies is essential to obtain optimum water development and use. Widely varying capabilities and conditions exist among the various organized districts and unorganized areas. Lining of presently unlined and future conveyance and distribution systems is provided for in current project plans.

The existing facilities of the Salt River and San Carlos projects, the Maricopa County Municipal Water Conservation District, and several other districts are based on integrated surface and ground water supplies. Rehabilitation and lining of conveyance and distribution works in progress by these districts to improve their system efficiencies would be completed under project conditions.

The bill provides for the authorization of up to \$100 million of appropriations for Federal financing of distribution systems for non-Indian lands under the Distribution System Loans Act (act of July 4, 1955, 69 Stat. 244) or other appropriate programs. This work will be accomplished by loans to project water users under separate contracts and the costs are therefore not included in the Central Arizona Project costs.

Construction of new irrigation systems and rehabilitation and lining of existing systems for the seven Indian reservations within the project area are included in the project costs.

Additional works.—Growing and potential water needs of the area require facilities in addition to those included in the project works. Existing facilities of other agencies which could be operationally integrated into the Central Arizona Project include dams, reservoirs, and irrigation works serving proposed contracting agencies in the project area.

The proposed channel improvements of the middle Gila River and the construction of Camelsback Reservoir by the Corps of Engineers and the continuing soil and moisture conservation programs of the Bureau of Land Management and Soil Conservation Service could and should be integrated or coordinated with the project. Natural channels used for water transport are basically canals and, when used as part of a system, their efficiency should be commensurate with their use.

Drainage and reuse facilities.—The control, use, and disposal of the return and effluent flows to be made available in the project area will require additional study to properly evaluate the benefits accruing from reuse and the attendant costs of physical facilities. The cost of such facilities would not affect economic and financial aspects of the project as presented in this report because these units would have to be justified by benefits over and above those considered herein.

Drainage facilities contemplated as part of the project works are open drains and drainage wells upstream from Gillespie Dam on the Gila River. Costs of these facilities are included in the project cost.

Power generation and transmission arrangements

The Secretary of the Interior is authorized to make prepayment arrangements to acquire an entitlement to the delivery of a portion of the electrical output of a large thermal generating powerplant to serve project pumping needs. The thermal plant would be owned, constructed, and operated by non-Federal interests (private and public utilities in the Southwest). The right will also include delivery of the power on jointly shared transmission facilities where available. Current studies indicate that approximately 470 megawatts of capacity will be required on a 24-hour per day basis in connection with the Central Arizona Project with the Granite Reef aqueduct sized at 3,000 cubic feet per second. As a result of the prepayment arrangements the project will obtain power for pumping at a low cost reflecting the economy of large thermal electric powerplants; shared economical, high-capacity, extra-high-voltage transmission facilities will be used; and the benefits of Federal financing will be obtained.

Water salvage measures

Included in the bill are water salvage measures consisting of ground water recovery in the Yuma area and phreatophyte clearing along the Lower Colorado River. These undertakings will yield an estimated 320,000 acre-feet of water annually for use in the Lower Colorado River Basin which, particularly in years of low water supply, will be necessary to realize the projected diversion of water to the Central Arizona Project.

Fish hatcheries and wildlife refuge

Fish and wildlife measures not reflected in the costs of multipurpose project structures include national fish hatcheries for both warm water fish and trout, the Cibola National Wildlife Refuge, the New Mexico State Fish Hatchery, and a rough fish eradication program.

Section 2(a) (1) specifies that the project water pumping and delivery system for carrying Colorado River water from Lake Havasu to Orme Dam shall have a capacity of not less than 3,000 cubic feet per second (c.f.s.). (This is the Granite Reef portion of the project aqueduct and pumping plants system.)

Bureau of Reclamation data indicate an improved benefit-cost ratio for the project as aqueduct capacity is increased from the originally planned 1,800 c.f.s. to at least 3,800 c.f.s.

Bureau hydrology indicates that even under conditions of ultimate development on the river there will be recurrent periods of high flow resulting in periodic spills from Lake Mead. The capacity of the Granite Reef aqueduct will permit Arizona to utilize more of its share of such spillage.

While the amount of water made available by increasing the size of the aqueduct depends upon the criteria used in analyzing the hydrology, it is reasonable to anticipate that over the 50-year payout period, water made available by a 3,000 c.f.s. aqueduct would average about 125,000 acre-feet annually more than that made available by a 2,500 c.f.s. aqueduct.

The difference in cost between a 2,500 c.f.s. aqueduct and a 3,000 c.f.s. is on the order of \$50 million if done at the time of initial construction. The cost of enlarging the capacity of the Granite Reef aqueduct following construction would be extremely high and it would probably, as a practical matter, be necessary to construct paralleling facilities to provide increased capacity.

Fluctuating aqueduct water deliveries can be utilized in central Arizona without waste because of the existing and proposed regulating reservoirs and ground water pumping facilities which can be operated in relationship to the availability of aqueduct deliveries from the Colorado River at any given time.

Section 2(b) (1)

This subsection authorizes the Secretary to obtain project pumping power requirements from non-Federal entities who will own, construct, and operate a modern thermal plant.

The Department of the Interior made a detailed study during the fall of 1966 of alternative sources and arrangements to provide pumping power for the needs of the Central Arizona Project. These alternatives ranged from the construction of dams and hydroelectric plants on the river as proposed in some bills, to the purchase of power from private and public utilities on the open market.

The Department recommendations, based on these studies, were embodied in the draft of proposed legislation sent to the Congress on February 15, 1967.

The bill provides that the required pumping power will be supplied by purchasing a portion of the capacity of a large steam electric generating plant constructed, owned and operated by non-Federal utilities (private and public utilities in the Southwest). The power required to operate the project pumps on a 24-hour-per-day basis is estimated by the Bureau of Reclamation as the output from 470 megawatts of generating capacity.

In making the power available to the Central Arizona Project, the Bureau would charge the project a sufficient price to repay to the Treasury the full amount of the capital advanced over the life of the plant along with the annual operating costs, and to create a sinking fund for replacement of plant components at the end of their useful life. In accord with reclamation law, capital costs associated with pumping power used for municipal and industrial purposes would be repaid with interest at the same interest rate which is customarily

charged if municipal and industrial pumping power is produced by hydroelectric generating plants.

It is estimated that the cost for power delivered at the Central Arizona Project pumping plants will be 3 mills per kilowatt hour for pumping irrigation water, and 5 mills per kilowatt hour for pumping municipal and industrial water. These power rates are low enough that construction of the Central Arizona Project will be financed primarily by water charges paid by the water users.

The Department of the Interior's summary report on the Central Arizona Project with Federal prepayment power arrangements, February 1967 (pp. 13 and 14) describes the arrangements by which power obtained under this bill will be managed :

In the analyses for this report, it was assumed that a power banking arrangement with utilities in the area would be established. Surplus power and energy when available would be put into the bank to be withdrawn later to accommodate fluctuating project pumping requirements. The ratio between amounts of deposit and withdrawal would be adjusted for losses between the banking utilities' systems and the Central Arizona Project pumping plants as well as providing a small incentive to the utilities.

The power and energy available for commercial sale each year was assumed to be the Government's entitlement to total generation less the Central Arizona Project pumping requirement, transmission losses, and reserve for the capacity sold commercially, and it was adjusted for the power banking service described above. Based on water supply projections, practically the entire Federal share of the thermal plant output will be required for project pumping purposes through the year 1990. A small increment of commercial power sales would be anticipated during this period because of the smaller amount of reserve capacity that would be maintained in the early years * * *.

It has been suggested that the steam plant might be located in northern Arizona, possibly near Page, and adjacent to Lake Powell. However, a careful engineering study may dictate other sites in the State of Arizona as being preferable. The plant is to be located at the most feasible site. It has been contemplated that the plant would burn coal obtained from the Black Mesa fields of the Navajo-Hopi Indian Reservations in northern Arizona, and the water used for the plant would be obtained from the drainage area of the Colorado River system above Lee Ferry—but, there too, these assumptions should not in any way limit working out the most efficient way of constructing, operating, and maintaining this plant. Water for the plant—if diverted above Lee Ferry—would be a charge against the 50,000 acre-feet per year entitlement which Arizona has as a State of the Upper Basin under the Upper Colorado River Basin compact, whether or not the plant is located in the drainage area of the Colorado River system above Lee Ferry.

The bill directs the Secretary to make adequate contractual provisions to secure performance of the prepaid power arrangements.

Although the language of section 2(b) (1) authorizes the Secretary to enter into a contract whereby the Secretary would "make the Fed-

eral portion of such cost available to non-Federal interests during the construction period," it is not intended to limit the Secretary in all instances to cash or money advances. It is believed that in some instances savings of State and local taxes may be achieved by the United States, itself, purchasing equipment and facilities for the plant or providing services in connection with construction of the plant, with appropriate credit being given to the United States by the non-Federal owners of the plant. In other words, the same concept which applies to appropriate credits being given for interest in Federal lands—Section 2(b)(1)(iii) should also apply to equipment, facilities, or services provided by the United States—and the Secretary is expected to incorporate appropriate language in this respect in his contract with the non-Federal utilities.

Section 2(b)(1)(i)

This subsection provides that the Federal Government will pay not more than its share of the costs of the powerplant and facilities under the power prepayment arrangements. The Federal Government's share of the capacity of the thermal powerplant shall not exceed the ratios of the respective capacities to be provided for the use of the United States, to the total capacity of the thermal plant. For example, under the bill, if the United States will require approximately 470 megawatts of power, the Federal Government's share of the capacity of a 2,000-megawatt thermal plant would be $470/2,000$ or $23\frac{1}{2}$ percent. The prepayment by the United States for project power would be computed as no more than $23\frac{1}{2}$ percent of the cost of constructing the thermal powerplant.

The United States will not pay to the owners of the thermal plant any interest on money used in its construction. The reason, of course, is that the Federal Government will be advancing money under the prepayment arrangement for purchase of the required electrical power during the construction period in installments designed to facilitate a timely construction schedule. The cash advances will be charged to the Central Arizona Project as project costs and repaid to the Treasury as required by reclamation law.

The Secretary is not to make any funds available other than those which are necessary for preconstruction activities, until he determines that adequate contractual arrangements covering water and fuel supplies are in effect. It is anticipated that in addition to the express safeguards in the legislation which are designed to protect the Federal investment, there will also be contractual safeguards to insure (1) a dependable supply of pumping power for the Central Arizona Project, (2) performance of the agreements which will be entered into by the Department, and (3) protection of the environmental quality of the area.

The Secretary is expected to require of the non-Federal interests which construct and operate the thermal plant, adequate measures to control waste water, waste materials, sewage, and other forms of pollution resulting from the operation of the thermal plant. Every effort should be made to insure that there will be no significant pollution of the waters of the basin.

The Secretary is also to require that measures are adopted by the non-Federal owners and operators of the thermal plant to insure that

smoke, fly ash, and dust from stack emissions will meet approved health and esthetic standards.

Construction of a coal-fired thermal plant may necessitate the opening of a large strip mine. If so the Secretary should require that arrangements are made for appropriate reclamation and restoration of these lands after they have been mined.

With respect to water and air pollution and strip mine reclamation, the Secretary should endeavor to see that all applicable Federal laws and standards are strictly complied with. He should also reserve the right to make periodic inspections to insure that the appropriate standards are being met. Provision should be made for periodic review and implementation of technological advances in quality control equipment.

Section 2(b) (1) (ii)

This subsection provides that if the thermal power plant and appurtenances are located on Federal lands, the United States will be granted due credit for the value of the land in determining the pro-rata share of payments to be made by the participants in the thermal plant. This section also applies to switchyards and transmission lines.

Section 2(b) (1) (iii)

This subsection provides that the annual operation and maintenance costs of the thermal powerplant will be apportioned between the United States and the non-Federal interests on an equitable basis, taking into account the ratios determined in connection with the allocation of construction costs made under subsection 2(b) (1) (i). This language provides the Department with sufficient flexibility in contract negotiations to see that the United States will be given appropriate credit toward its share of the operation and maintenance costs in the event that some of these costs are paid for in the form of services, personal property, or any other valuable consideration.

The United States would not bear depreciation costs of any of the initial construction costs of the thermal powerplant, switchyard, and transmission lines built under subsection 2(b) (1) (i). The reason, of course, is that the United States will have already paid for the project pumping power requirements by prepayment and will make its own arrangements to recover this investment.

With respect to replacements for components with relatively short service life after the thermal plant goes into operation, the United States has the option of either (1) paying a portion of the capital costs of any necessary replacements, in which event it would not share in depreciation costs, or (2) paying a portion of the depreciation costs on any replacement items which are entirely financed by the non-Federal interests.

The plant replacement costs which would occur at the end of the useful life of the thermal powerplant, however, will be paid in the form of a capital prepayment, the same as the initial prepayment. A replacement reserve for this purpose will be accumulated within the development fund by retention of an appropriate annual portion of the revenues from pumping and commercial power.

Section 2(b) (1) (iv)

This subsection insures that the U.S. portion of the costs of purchasing capacity in the thermal power plant, switchyards, and transmis-

sion lines will not include any interest, interest during construction, financing charges, or franchise fees, which would be applicable to the non-Federal constructors of the plant. The United States will provide its own funds from its own sources and therefore will pay its own financing and interest costs. The United States is not required to obtain a franchise to supply power for project pumping and the payment of franchise fees to municipalities or regulatory bodies through the non-Federal owners and operators would not therefore be appropriate.

Section 2(b)(1)(v)

This subsection provides that the provisions of this legislation shall not be construed as a precedent for any federal agency to enter into construction of a thermal power plant or plants.

Section 2(b)(2)

This subsection requires the thermal power plant to be located in the State of Arizona and makes clear that if the plant is served by upper basin water the consumptive use of that water shall be a charge against Arizona's 50,000 acre-feet per year entitlement under the terms of article III(a) of the Upper Colorado River Basin compact (63 Stat. 31). Use of this water shall not be construed to increase Arizona's entitlement to water under that compact.

Section 2(c)

Subsection 2(c) establishes the conditions for the delivery and use of Central Arizona Project water. Project water can be used for irrigation of only those lands which the Secretary of Interior finds to have a "recent irrigation history." Colorado River water delivered into central Arizona is intended only to supplement the existing supplies which are inadequate for sustained uses at the present rates of use. A primary purpose is to reduce the annual overdraft upon the limited ground water reserves. It would be inconsistent with this essential purpose to permit delivery of project water for irrigation of lands that have not previously been irrigated.

Indian lands and national wildlife refuges are expected from this condition, and if the Secretary approves, the exception may also apply to wildlife management areas administered by the State.

Section 2(d)(1)

This subsection provides the Secretary with the authority, in the event that he determines it is necessary to effect repayment of the Central Arizona Project facilities, to require that project water be supplied pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. Organizations such as these are commonly known as conservancy districts and are sometimes used as a means of levying ad valorem taxes on all taxable real property within the project service areas.

With the basin development fund (Sec. 5), it appears that the contemplated ad valorem tax will be unnecessary and that this authority will not have to be exercised. The Secretary is to require the use of an ad valorem tax only if such a tax is found to be necessary to provide revenues to accomplish the repayment of the project.

In view of the provision for a development fund to assist in repayment of irrigation costs the need for an ad valorem tax is very remote.

This provision should nevertheless be retained in the bill for use under unforeseen circumstances which could develop at some future time. This will provide an added guarantee that the project costs will be repaid.

The provisions of this subsection, should they be exercised, would not apply to the costs of supplying water to an Indian tribe for use within the boundaries of an Indian reservation.

Section 2(d) (2)

This subsection provides that section 9(d) and 9(e) contracts which are made pursuant to the Reclamation Project Act of 1939 shall be made for a period of 50 years. It also provides that water made available under such contracts for irrigation purposes may, if no longer needed for that purpose, be made available by the Secretary for municipal and industrial purposes.

Section 9(d) of the Reclamation Project Act of 1939 provides for the execution of repayment contracts and requires that such contracts be made as a prerequisite to the delivery of water.

Section 9(e) of the Reclamation Project Act of 1939 provides for the execution of contracts for delivery of water in lieu of contracts for repayment.

The provision for conversion of irrigation water supply to municipal and industrial uses was included so that it would be possible to progressively increase the amount of water available for municipal and industrial supply as the needs for these uses increase. In some instances municipalities may be expected to grow into areas which are now irrigated. In those cases the irrigation users would no longer require the water for irrigation purposes and the Secretary could contract with the municipalites for the use of the water.

Section 2(d) (3)

This subsection provides that contracts relating to municipal and industrial water supplies may be made notwithstanding the provisions of the last sentence of section 9(c) of the Reclamation Project Act of 1939. This sentence provides that municipal contracts may not be made unless, in the judgment of the Secretary, such contracts will not impair the efficiency of the project for irrigation use. The desire is not to relegate municipal and industrial use to a secondary preference, and it is for that purpose that section 2(d) (3) was inserted.

This provision is in accord with the practice in recent years of making an exception to the "irrigation preference" established under the Reclamation Project Act.

Section 2(e)

This section provides that each water and repayment contract entered into by the Secretary with water users shall contain various safeguards for water conservation and use.

First, there must be measures to control expansion of irrigation from ground water aquifers which have been improved by the importation of Colorado River water. In other words, owners of land not within the project service area but adjacent to it should not receive a "windfall" from the improved ground water conditions.

Second, the contracts shall require that all contractors provide lined canals and laterals adequate in the judgment of the Secretary to prevent excessive conveyance losses.

Third, the language of the contracts shall provide that "neither the contractor nor the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the service area of a contractor receiving water from the Central Arizona Project for any use outside said contractor's service area unless the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required."

This is similar in some respects to the first item mentioned. However, it is more specific and is intended to prohibit pumping from improved ground water conditions which result either from seepage of Central Arizona Project water into the underground aquifers or which result from the shutting down of deep well agriculture pumps for substantial periods of time and using Central Arizona Project water as replacement for ground water. This subsection provides that one contractor for Central Arizona Project will not be permitted to pump ground water from within the boundaries of the service area of another contractor and thus receive the benefits of low-cost ground water as opposed to higher cost Central Arizona Project water.

This section also provides that all waters, including industrial waste water, return flow, seepage, sewage effluent and ground water in or flowing from the contractor's service area and "originating or resulting from (i) water contracted for from the Central Arizona Project, or (ii) water stored or developed by any Federal reclamation project are reserved for the use and benefit of the United States as a source of supply" for the Central Arizona Project or Federal reclamation project.

Section 2(f)

This subsection gives the Secretary authority to arrange for water exchanges. As a condition prerequisite to any contract, the contractor may be required to accept main stream water in exchange for or in replacement of the contractor's existing supplies. By these exchanges, various areas of Arizona which, by virtue of location and topography, cannot receive main stream water, will be able to benefit from the project.

This subsection would also apply to the specific exchange authorized between users in the States of New Mexico and Arizona dealt with in subsection (h) of this section, which directs the Secretary to require downstream users of Gila River system water in Arizona to agree to accept Central Arizona Project water from the main stream of the Colorado River in exchange for water to be used in New Mexico.

Section 2(g)

Subsection (g) provides a means of protecting contract users who have yielded water from other sources in exchange for main stream water. The protection is provided by giving such contract users a first priority to main stream water in times of main stream shortages over contract users who have not so yielded. This priority, however, shall not exceed the amount of water yielded from other sources.

Section 2(h)

Subsection (h) authorizes an exchange of water between New Mexico users on the Upper Gila River system and users in Arizona who can be physically supplied from the main stream of the Colorado River through the Central Arizona Project.

The practical effect of the language is to permit New Mexico to utilize not to exceed an annual average of 18,000 acre-feet of Gila River water in any 10-consecutive-year period. This water is intended to be over and above the amount now allocated to New Mexico, and its use is to be from water allocated to Arizona as a part of its 2,800,000 acre-feet main stream entitlement even though the water is actually exchange water from the Gila River system. As a protection to downstream users, full consideration is to be given to any differences in the quality of water exchanged.

The Secretary, in making these exchanges, is not to permit increased uses by water users in New Mexico until—and the uses shall continue only so long as—delivery of sufficient Colorado River water to downstream Gila River water users in Arizona is being accomplished as set forth in this bill.

The last sentence of this subsection provides protection for all users who have a legal right to the use of Gila River water at the time of the enactment of this act. This protection is accomplished by making “all additional consumptive uses provided for in this subsection” subject to water rights on the Gila River, its tributaries, and underground water sources effective on the date of enactment of this act.

The water rights along the Gila River in Arizona and New Mexico have been the subject matter of long disputes in the courts and in negotiations among holders of rights to the water of the river. It is not the intention of this section to express or indicate in any manner whatever its opinion with respect to the application or binding effect upon persons who either have or claim the right to use the water of the river. The language of this section has as its purpose the arrangement for an exchange of water between the States of New Mexico and Arizona without affecting any legal right to the use of Gila River water which exists at the time of enactment of this legislation. The existing rights along the Gila River are, therefore, neither enhanced nor impaired by this section.

This exchange may be accomplished without amendment of article IV of the decree in *Arizona v. California* (376 U.S. 340). (See opinion of the Solicitor of the Department of the Interior, Aug. 19, 1966, and approval of the Solicitor General of the United States dated Aug. 18, 1966, as printed in the hearings on the Central Arizona Project, May 1967, p. 382.)

Section 2(i)

This subsection is intended to restrict, for a period of 10 years after this bill is enacted into law, the delivery of water to any newly irrigated lands for the purpose of raising crops which are surplus. There is no intent to allow project water to be used to irrigate new lands in Arizona. The water furnished by the Central Arizona Project is to be used to supplement the existing water supply for lands currently under production or lands which have a history of irrigation, but which were recently taken out of production due to lack of water. There may be some new lands irrigated in New Mexico to which this provision would apply.

Section 2(j)

The Dixie project, located in Utah, has been authorized but is not yet under construction because present studies indicate it will be \$25

to \$30 million short of being able to repay the reimbursable costs. This section provides that the Dixie project may receive financial assistance from the development fund and thus become a financially feasible project.

It is the intention of this section to reauthorize the Dixie project and that the provisions for the repayment of the Dixie project remain as far as possible in accord with the project's authorizing legislation (Public Law 88-565, 78 Stat. 848). Costs allocated to recreation and fish and wildlife are to remain nonreimbursable as in the original authorization.

Section 3

This section assures that the Central Arizona Project works will be developed in accordance with the Federal Water Project Recreation Act (79 Stat. 213). This act was effective July 9, 1965, and its purpose was to provide that in investigating and planning any Federal navigation, flood control, reclamation, hydroelectric or multiple-purpose water resources project full consideration would be given to opportunities, if any, afforded for outdoor recreation and for fish and wildlife enhancement. Any potentials for outdoor recreation, or fish and wildlife enhancement which might reasonably be served by the Central Arizona Project works should be fully developed and utilized, insuring the greatest use and benefits possible to the American people.

Section 4

This section deals with the cost of serving Indian lands. Under the language of this section the Secretary is required to determine the repayment capability of any Indian lands served by the project facilities. That portion of the construction cost allocated to the irrigation of Indian lands which is within the repayment capability of such lands will be deferred under the provisions of the Leavitt Act (act of July 1, 1932; 47 Stat. 464), and the portion which is not within the repayment capability of such lands will be paid from the Development Fund.

Section 5(a)

Section 5(a) establishes a separate fund in the Treasury to be known as the Lower Colorado River Basin Development Fund. The development fund would provide assistance to the Central Arizona Project and the Dixie project, and will be available upon future authorization by the Congress for basinwide water conservation and development. Revenues to be paid into the development fund will include the surplus post-amortization revenues from Hoover Dam, the Parker-Davis project, the Arizona-Nevada section of the Pacific Southwest Intertie, as well as the revenues of the Central Arizona Project works and facilities, including any revenues resulting from commercial power sales during periods of time when the project does not use all of the power purchased under the prepayment plan.

The establishment of development funds is not a new concept. The principle has been recognized and utilized in the Colorado River Storage project, the Missouri River Basin project, the Columbia Basin, and the Central Valley project.

The Bureau of Reclamation's financial analysis of this project is, as was previously mentioned, predicated on a priority in perpetuity to California of 4.4 million acre-feet. This is but one of a multiplicity

of factors which will be determinative of the amounts available in the development fund. The Bureau of Reclamation has estimated these amounts as follows:

1. The facilities authorized by this bill will need assistance from the development fund in the amount of \$122 million by 2025. By the year 2050 these facilities will repay that assistance and in addition will provide the development fund with an additional \$315 million. If the Bureau's studies had not been based on a perpetual 4.4 million acre-feet priority to California, and if the shortages had been pro rated on the basis of 28/75 to Arizona, 44/75 to California, and 3/75 to Nevada, the assistance needed from the development fund would be reduced to \$76 million by 2025, and the \$315 million figure cited above would be increased to \$387 million.

2. Hoover, Parker and Davis Dams would provide a surplus of approximately \$479 million by the year 2025 and approximately \$837 million by the year 2050.

3. The Arizona-Nevada portion of Pacific Northwest-Pacific Southwest Intertie would contribute \$21 million by the year 2025 and \$130 million by the year 2050.

The following tabulation shows the source of revenues and the anticipated amounts as of the year 2025 and 2050: ²

	2025	2050
Central Arizona project.....	(\$122,481,000)	\$314,843,000
Hoover-Parker Davis.....	478,983,000	837,073,000
Northwest-Southwest intertie.....	20,800,000	130,000,000
Total.....	377,302,000	1,281,921,000

Upon future authorization by the Congress the revenues in the development fund will be available for use in connection with construction and operation of other projects, desalinization plants, weather modification programs, watershed improvement and control, salvage operations, and purification of sewage effluent for reuse, and other programs designed to augment the flow of the river, conserve its water resources, and contribute to future basin development.

These contemplated revenues are based upon Department of the Interior assumptions of postamortization rates. Starting with the Pacific Southwest water plan and in all subsequent studies, Hoover rates have been proposed to be an average of 4 mills per kilowatt-hour and Parker-Davis rates at 4.7 mills per kilowatt-hour. The Pacific Northwest-Southwest intertie wheeling charges and Central Arizona Project water rates are anticipated to remain at their original level.

² In this tabulation the following assumptions were made—

1. The 4.4 million acre-foot priority to California is in perpetuity.
2. The indicated surpluses for Hoover, Parker-Davis are those which remain after payment of \$600,000 annually to Arizona and Nevada in lieu of taxes.
3. The indicated total surpluses are those which remain after payment of \$5,000 annually for power lost at Coolidge Dam.
4. It was assumed that the upper Colorado River Basin development fund will be completely reimbursed for the loss in power at Hoover during the filling of Glen Canyon.
5. The totals do not reflect assistance required for the Dixie project estimated to total \$25 million to \$30 million.
6. Average commercial power rate assumptions:
Hoover Dam : 4 mills per kilowatt-hour.
Parker-Davis Project : 4.7 mills per kilowatt-hour.
Central Arizona Project : 5 mills per kilowatt-hour.

Section 5(b)

Section 5(b) provides that all appropriations made to accomplish the purposes of section 2 and for other projects which may in the future be authorized by Congress to develop and conserve water for the lower basin States, shall be credited to the development fund as advances from the general fund of the Treasury.

Section 5(c) (1)

This subsection provides that all revenues from operation of the works and facilities authorized in section 2 or authorized in the future in furtherance of the purposes of this bill shall be credited to the development fund. It is intended that when non-Federal entities enter into cost-sharing agreements under the provisions of the Federal Water Project Recreation Act (79 Stat. 213), the user fees will be available to such entities for cost-sharing payments under that act. The cost-sharing payments made by such entities to the United States will, however, be revenues to the development fund.

Section 5(c) (2)

This section provides that all Federal revenues from power generation at the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of the projects, are surplus to the operation, maintenance, and replacement costs shall be credited to the development fund.

The Secretary is, however, authorized to continue the "in-lieu-of-taxes" payments to the States of Arizona and Nevada as provided for in section 2(c) of the Boulder Canyon Project Adjustment Act, so long as revenues accrue from the operation of the Boulder Canyon project. Absent this provision, these payments would have terminated in 1987.

It is the intent that all surplus revenues following repayment of Hoover Dam shall be paid into the Lower Colorado River Basin Development Fund and any payments to the Upper Colorado River Basin thereafter shall be made out of the development fund. Payments from net revenues at Hoover, as used in section 7, shall be construed to mean payment from the development fund.

Section 5(c) (3)

This subsection provides that postamortization revenues from the U.S. Bureau of Reclamation portion of the Dalles-Hoover and the Hoover-Phoenix transmission lines and terminal facilities located in the States of Nevada and Arizona will be credited to the Lower Colorado River Basin Development Fund. The intertie is scheduled to pay out in year 2021, which is 50 years after initiation of full service in 1972. The service life of the intertie is at least 75 years.

It is appropriate to provide for the inclusion of the U.S. portion of these funds from facilities located in Nevada and Arizona into the Lower Colorado River Basin Development Fund to set up a basin account for Federal reclamation projects in the States of Arizona, California, and Nevada. Were these funds not utilized as provided for in this section, they would be paid into the general fund of the Treasury.

There is precedent for inclusion of postamortization benefits resulting from the Pacific Northwest-Pacific Southwest interties into a basin development fund. The Oregon portion of the Federal Pacific

Northwest-Pacific Southwest intertie is financially integrated with the Federal Columbia River power system. Postamortization revenues from these facilities, in excess of operating costs and other costs, will therefore become a part of the net revenues derived from the marketing of commercial power and energy through the Federal Columbia River power system. Under the provisions of section 2 of Public Law 89-448 (80 Stat. 200) these net revenues are made available, as limited by section 6(b) of Public Law 89-561 (8 Stat. 715), for assistance in the repayment of costs of reclamation projects in the Columbia River allocated to irrigation which are beyond the repayment ability of irrigation water users.

Similarly, any revenues resulting from the intertie to the Central Valley Project in California will be reflected in Central Valley Project's accounts. As a part of the surplus power revenues of the project, they will be available for irrigation repayment assistance to units of the project which are now or will in the future be authorized.

Section 5(d)

This subsection provides for the application of revenues in the development fund upon further appropriation for purposes of: (1) operation, maintenance, replacement and emergency expenditures; (2) for reimbursement to the upper Colorado River basin fund as required by section 8; (3) for payments as required by subsection (f) of section 5; and (4) for payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam.

This latter provision is necessitated because of the provisions of subsection 2 (f), (g), and (h) which apply to the increased uses in New Mexico. Increased uses in New Mexico will diminish the downstream flow into the storage reservoir at Coolidge Dam. While the water used in New Mexico would be replaced downstream from Coolidge on the Gila River, this replacement would not be delivered into the reservoir behind Coolidge Dam. As a result, it would not be available for the generation of power and energy at the Coolidge Dam turbines.

The San Carlos project which now receives the benefit of this power and energy is entitled to continue to receive the same benefit, and provision is therefore made for payment out of the basin fund for this purpose.

Section 5(e)

This subsection provides that revenues in the development fund may be used for the construction of works authorized in section 2 of this act only as appropriated by the Congress.

Section 5(f)

This subsection relates to the use of revenues in the development fund that are in excess of the amount necessary to meet the requirements of (1), (2), and (4) of section 5(d). Such excess funds shall be paid to the Treasury to return the costs of those project features authorized by section 2 which are allocated to irrigation, commercial power, or municipal and industrial water supply, in a period of 50 years from completion of each unit or separate feature exclusive of any allowable development period.

Development fund moneys will also be used to pay interest (including interest during construction) on the unamortized balance of the investment in commercial power and municipal and industrial water features. Interest due shall be a first charge, and shall be set by the Secretary of the Treasury in accordance with subsection (g) of section 5.

Section 5(g)

This subsection deals with the interest rate to be applied to reimbursable project costs allocated to commercial power and municipal and industrial water supply. The Secretary of the Treasury will determine the rate at the beginning of the first fiscal year in which funds are advanced to begin construction of the project.

Section 5(h)

This subsection requires the annual submission of business-type budgets to the Congress for all operations financed from the development fund.

Section 6

Section 6 authorizes a program for water salvage along and adjacent to the main stream of the Colorado River and for ground water recovery. The program must be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife as determined by the Secretary of the Interior.

The water salvage program consists of ground water recovery in the Yuma, Ariz., area and eradication and control of phreatophytes presently covering 42,000 acres of land near the Colorado River which consume thousands of acre-feet of water. It is estimated that the total salvage program, when combined with the channelization of the river which is now in progress will salvage about 680,000 acre-feet of water.

The breakdown of the project costs indicates that the water salvage and recovery program will cost \$42,450,000.

Section 7

Section 7 deals with the financial problems created by the filling of Lake Powell and the resulting impairment of firm power production at Hoover Dam. Substantial payments have already been made out of the upper Colorado River Basin fund to compensate Hoover Dam power contractors for deficiencies in power generation at Hoover Dam, and additional payments may have to be made in the future under the Glen Canyon filling criteria.

Section 7 provides for the repayment of such expenditures heretofore or hereafter made out of the upper Colorado River Basin fund. This is to be accomplished by transferring \$500,000 each year to the upper basin fund from the Colorado River development fund (CRDF) created by the Boulder Canyon Project Adjustment Act of 1940, commencing with the enactment of this act. The CRDF now receives \$500,000 per year from Hoover Dam power revenues earmarked for use in the development of projects and will continue to do so under existing law until 1987. The effect of section 7 is to earmark that same amount (\$500,000 annually) for transfer to the upper Colorado Basin fund instead. If any deficit in reimbursement of the upper Colorado River Basin fund exists after 1987 the remaining deficiency is to be paid out of the new lower Colorado River Basin development fund which is established by section 5 of this act.

Section 8

This section provides that nothing in this legislation is to be construed as changing in any way the provisions of applicable interstate compacts; the water treaty with Mexico; the Supreme Court decree in *Arizona v. California*; or except as provided in this act the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act, or the Colorado River Storage Project Act.

Section 9(a)

Subsection (a) requires that after each successive 5-year period, the Secretary will report the annual uses and losses of water from the Colorado River system. The first period begins on October 1, 1965. The reports shall include a State-by-State breakdown of consumptive uses and specific quantitative consumptive uses from the major tributaries flowing into the Colorado River from each State. In preparing such reports the Secretary shall consult with each of the States of the lower basin and with the Upper Colorado River Commission. The reports shall be transmitted to the President, the Congress, and the Governors of each of the seven States involved in the Colorado River compact.

The purpose of such reports is to obtain data required for full and efficient development of the limited water resources of the basin.

Section 9(b)

Subsection (b) directs the Secretary to make all contracts for delivery of water originating in the Colorado River drainage basin subject to physical availability under terms of the Colorado River compact. This provision merely continues the presently existing policy with regard to such contracts.

Section 10

Section 10 constitutes a fair and reasonable solution to the problem of protecting the future water resource development of the four upper division States, and also providing for the use of the water in the lower division States until the water is required upstream. This should result in the greatest beneficial use of the available water.

According to the terms of the Colorado River compact, articles III(c) and III(d), delivery of Colorado River water is required of the upper division States at Lee Ferry. Storage in Lake Powell is the key to the accomplishment of this requirement. If there is no water storage in Lake Powell to make the required releases during periods of drought, it is possible that upper basin consumptive uses would have to be curtailed in order to discharge the compact obligation. The greater the storage in Lake Powell, the less likelihood there will be of this happening. On the other hand, if too much water is withheld in Lake Powell on the grounds that it is necessary for later discharge of upper basin compact obligations the possibility of spill and denial of use in the lower basin is increased. The language of Section 10, implementing operations under the compact, is intended to establish a commonsense balance between the right of the upper division States to store water to meet future delivery requirements under the compact and the lower basin's right under article III(e) of the compact to demand the release of water stores in the upper basin to meet lower basin consumptive uses.

Section 10(a)

Section 10(a) directs the Secretary of the Interior to propose criteria for the coordinated long-range operation of reservoirs constructed under the authority of the Colorado River Storage Project Act and the Boulder Canyon Project Act, consistent with the provisions of those statutes, the Boulder Canyon Project Adjustment Act, the Colorado River compact, the Upper Colorado River compact and the Mexican Water Treaty.

While it is impossible to anticipate all of the combinations of hydrologic sequences and economic and financial factors that will occur in the future or to evaluate precisely the effect of applying rigid criteria under all conditions, the committee believes, on the basis of testimony and information supplied by the Department of the Interior, that strict adherence to the specific criteria required by this title will rarely, if ever, require a reservoir operation which is inconsistent with what would be considered the optimum operation.

To the extent that it is possible to foresee, reservoir operations under section 10 will not be inconsistent with reservoir operations permitted under the Glen Canyon filling criteria promulgated by the Secretary of the Interior and printed in the Federal Register on July 19, 1962 (27 F.R. 6851). Thus, the filling criteria would continue until terminated at some later date.

Section 10(a) further specifies that in the preparation of the reservoir operating criteria, and in their execution, certain priorities shall govern the storage of water in reservoirs of the Colorado River storage project and releases of water to the lower basin at Glen Canyon Dam. The first priority, set out in paragraph (1), is for the release of water to satisfy one-half the deficiency in deliveries of water to Mexico as described in article III(c) of the Colorado River compact, if such deficiency exists and is chargeable to the upper basin States.

The second priority, set out in paragraph (2), for release of water from Lake Powell is to deliver at Lee Ferry 75 million acre-feet in every period of 10 consecutive years under article III(d) of the Colorado River compact.

A third priority is given to storage of water to enable the States of the upper division to meet their compact obligations without impairing consumptive uses in the upper basin. The language in the first part of paragraph (3) provides that water not required to be released each year to fulfill the priorities relating to the Mexican Treaty burden and delivery of 75 million acre-feet every 10 years shall be stored in upper basin reservoirs to the extent that the Secretary shall find to be necessary to assure long-term deliveries of water at Lee Ferry for these same purposes without impairing present or contemplated consumptive uses of water within the compact apportionment to the upper division States. In determining the extent to which water must be stored for those purposes, the Secretary is required to consult with the Upper Colorado River Commission and representatives of the three lower division States and to take into consideration all factors pertinent to a hydrologic analysis of the water supply situation, including historic streamflows, the most critical period for which water records are available, and probabilities of water supply under recognized statistical procedures. This procedure is consistent with the intent of the Colorado River Storage Project Act, it can be complied

with and still provide the Secretary the necessary latitude in determining the extent of storage reasonably required.

As the upper basin depletions increase with time, the controlling critical periods will lengthen and the required amounts of carryover storage will increase. It is recognized that the establishment of requirements for carryover storage cannot be based on critical period considerations alone, but that probabilities of water supply also must be considered. Also, the production of power and energy is a relevant factor that must be considered if the financial feasibility of Federal developments in the Colorado River Basin is to be assured.

The language of the proviso in paragraph (3) establishes specific guidelines for the release of water available in excess of compact III (c) and (d) requirements and water required to be stored as provided in paragraphs (1), (2), and the first part of (3). Before discussing the operating guidelines of paragraph (3) it should be pointed out that during prolonged periods of low runoff there would be no available excess water and hence these criteria would not be applicable. During periods of high runoff and high storage content the problems of reservoir operation dealt with in paragraph (3) are not critical and their application would not be of major significance. Thus, it is within the intermediate ranges of runoff and storage content that the criteria specified are particularly meaningful.

The language of paragraph (3) embodies three specific operating guidelines. The first (i) provides that if water excess to the requirements of paragraphs (1) and (2) is determined to be available, it shall be released from Lake Powell to the extent that it can be reasonably applied in the lower division States to the domestic and agricultural uses specified in article III (e) of the Colorado River compact, but no such releases of water will be made from Lake Powell when the active storage therein is less than the active storage in Lake Mead.

The second (ii) has as its objective the distribution of available excess water in a manner that will equalize as nearly as practicable active storage in Lake Mead and Lake Powell. The policy, herein established, of maintaining, so far as possible, equal active storage in Lake Powell and Lake Mead is consistent with good operating practice and is fair and equitable to both the upper and lower basins. Although there may be conditions under which it would be desirable and advantageous to operate over a limited period of time in a manner different than that specified in phase (ii), particularly when both Lake Powell and Lake Mead have substantial reserves of storage, any problem caused by application of this criterion is not regarded as serious.

The third (iii), to avoid spilling water from Lake Powell, is obviously consistent with good river management.

Section 10(b)

Subsection (b) retains to the seven States composing the Colorado River Basin a voice in formulating the operating criteria. The proposed criteria must be submitted by the Secretary of the Interior not later than January 1, 1970, to the Governors of these seven States, and to other appropriate parties or agencies, for their review and comment. Thereafter, the Secretary will adopt the criteria by July 1, 1970, and publish the same in the Federal Register.

The Secretary is also required to keep the Congress and the Governors of the Colorado River Basin States informed by a yearly report reflecting actual operation for the past compact year and projected operation for the current year.

As with any proposed operation or set of criteria, actual practice may dictate changes, so the Secretary is authorized to make changes in the criteria required by actual operating experience or unforeseen circumstances. As a protection to the States of the basin, such changes may only be made after correspondence with the Governors and consultation with representatives selected by the Governor of each State.

These provisions give adequate latitude and flexibility in establishing or changing criteria to meet any circumstance which may arise, while at the same time assuring change only after adequate consultation with those affected. It is recognized that all conceivable exigencies cannot be foreseen, thus the necessity for such provisions.

Section 10(c)

Subsection (c) directs that section 7 of the Colorado River Storage Project Act (70 Stat. 109), which relates to power production, be administered in accordance with the criteria set out in this section. This provision is appropriate and necessary to assure consistent power operations at all Federal reservoirs on the Colorado River, and to emphasize that the production of hydroelectric energy is a relevant factor that must be considered if the financial feasibility of Federal water resource developments in the Colorado River Basin is to be reasonably assured, as hereinbefore indicated.

The development of the reservoir operating criteria pursuant to section 10 not only should prevent a recurrence of the misunderstandings that were manifest throughout the Colorado River Basin at the time the Secretary initiated the filling of Colorado River storage project reservoirs, but should also constitute a major contribution to more efficient and reasonable river management. The operating criteria of section 10 is fully consistent with the terms of the Colorado River compact, including article III(e) thereof. The language in this section is not an attempt to interpret article III(e) of the Colorado River compact; it simply places qualifications upon operations under article III(e). The successful negotiations which produced these guidelines for the Secretary to follow in operating Federal reservoirs under article III(e) in the Colorado River Basin may preclude costly litigation in the future.

Section 11(a)

This section recognizes and reaffirms the Colorado River compact and the binding effect of its provision on the States signatory thereto. The upper basin rights to the consumptive use of the water apportioned to that basin under the compact are protected against any interim use of this water in the lower basin. Under this section, when the upper basin has the projects and the means necessary to use its entitlement under the Colorado River compact it will then have available the water. Interim use of Colorado River water cannot ripen into a legal, moral, or equitable right to any portion of the upper basin's water regardless of the length of time the water has been used.

Section 11(b)

This subsection provides that the duties and powers of the Upper Colorado River Commission are made inviolate to any of the terms of this bill. This bill will not in any fashion change or control the actions or conduct of the affairs of the Upper Colorado River Commission.

Section 12

Section 12 removes from the jurisdiction of the Federal Power Commission the stretch of the Colorado River between Lake Mead and Glen Canyon Dam until and unless otherwise provided by the Congress. This section of the bill renders inapplicable part I of the Federal Power Act (16 U.S.C. 791a-823), by which Congress had previously delegated to the Federal Power Commission authority to grant licenses for construction of hydroelectric power generating facilities by non-Federal entities on waters or lands subject to Federal jurisdiction.

The stretch of the Colorado River thus removed from Federal Power Commission jurisdiction includes Bridge Canyon, the site long considered for construction of a multiple-purpose reclamation dam most recently referred to as "Hualapai Dam." Practically all of the Central Arizona Project bills considered in the 90th and previous Congresses would have authorized the construction of Federal dams on the Colorado River.

The purpose of section 12 is to reserve to the Congress the ultimate decision concerning the wisest use or combination of uses of the water and land resources of this stretch of the river.

The moratorium provided for under this section will furnish ample time to allow the National Water Commission to undertake its study of the alternative and best uses of our Nation's water resources. The results of the Commission's study will be available to the Secretary of the Interior and to the Congress, and should provide guidance and valuable information concerning the future use of the Hualapai Dam site.

A proposal to enlarge the Grand Canyon National Park to include the Marble Canyon site, as recommended by the administration, is the subject of separate legislation now before the committee for consideration.

Section 13

Section 13 is a statement of policy that, except as otherwise provided in this legislation, the Secretary, in constructing, operating, and maintaining the Central Arizona Project, is to be governed by general Federal reclamation laws (32 Stat. 388, as amended and supplemented), and that this legislation upon enactment shall be a supplement to the reclamation laws.

Section 14

Subsection (a) specifies that all terms used in this bill and defined in the Colorado River compact shall have the meaning as defined in the compact.

Subsections (b), (c), and (d) establish the specific meaning for the terms "user" or "water user," "active storage," and "Colorado River Basin States" as used in this bill. These subsections apply to the use of

these terms in this legislation only, and are not to be construed as general definitions for purposes of Federal reclamation law.

Section 15

Section 15 places a ceiling of \$837 million, plus or minus such amounts as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved under the project facilities authorized herein.

The construction of irrigation distribution and drainage facilities for non-Indian lands is not included in the project costs because of the indeterminate service area and the wide variation in works which will be required for various portions of the service area and the possibility that the construction of these systems will be undertaken pursuant to the Distribution System Loan Act (69 Stat. 244, as amended) or the Small Reclamation Projects Act of 1956 (70 Stat. 1044, as amended) or other suitable program. It is intended that the works will be financed through separate repayment contracts and that neither the appropriations nor the repayment for such contracts will be treated as parts of the development fund.

VIII. CONCLUSION

For the reasons expressed in these separate and dissenting views, we oppose the enactment of H. R. 3300.

JOHN P. SAYLOR.
JAMES A. HALEY.
ROGERS C. B. MORTON.
GEORGE V. HANSEN.
JOHN KYL.

I concur in the above and foregoing Separate and Dissenting Views with the exception of the substitution of Conner Dam for Hooker Dam.

JAMES A. McCLURE,

The undersigned concur in the above separate and dissenting views with the reservation that we have no objection to Title V of H. R. 3300 authorizing certain projects in the Upper Colorado Basin.

THOMAS S. FOLEY.
WENDELL WYATT.
LLOYD MEEDS.

ADDITIONAL SEPARATE AND DISSENTING VIEWS

The undersigned members regret that we cannot support H.R. 3300 as ordered reported by the House Interior and Insular Affairs Committee on March 26, 1968. We regret that we are forced to take this action, because in the past we have consistently supported the authorization of the Central Arizona Project. The project meets the criteria and policies of the Interior Committee for Federal water resource developments. Considered on its own merits, it warrants early Congressional approval.

We are forced to oppose H.R. 3300 because, as that measure was reported by the Committee, the Central Arizona Project has become a mere appendage to other purposes; a convenient legislative vehicle to advance unrelated provisions which are not required, not recommended by the Administration, not justified financially, and unprecedented in cost.

Those aspects of H.R. 3300 to which we are opposed are found in title II. They are:

(1) An authorization and directive to the Secretary of Interior to undertake immediate reconnaissance and feasibility studies leading to the construction of facilities to import to the Southwest millions of acre-feet of water from the major river basins of other regions of the Nation.

(2) A congressional commitment to develop sources of water to provide, at Federal expense and at unknown cost, all of the water Mexico is entitled to receive under rights which have been confirmed by the Mexican Water Treaty.

A summary of the provisions of title II is attached as an appendix to these views.

We are opposed to the provisions found in title II for the following reasons.

TITLE II UNNECESSARY

1. The bill which the administration transmitted and recommended to the Congress on February 15, 1967, did not contain the provisions now found in Title II. The measures proposed by Title II are not necessary—and there is strong indication that they are detrimental—to the long range national interest. There is no emergency and no immediate water shortage which requires or justifies the immediate and hurried approval of the provisions found in Title II. The Majority Report notes that *“a full water supply (1,200,000 acre-feet) can reasonably be expected for the Central Arizona Project until sometime during the decade 1985–1995. * * *”* [Emphasis added, p. 39.] This has been repeatedly affirmed by representatives of the Administration in testimony before the Committee.

CONGRESSIONAL COMMITMENT

2. The provisions of Section 202 of Title II declare that "the satisfaction of the requirements of the Mexican Water Treaty * * * constitutes a National obligation" and relieves the States of the Colorado River Basin "from all obligations which may have been imposed upon them by * * * The Colorado River Compact." These provisions have costly and far-reaching effects.

Every member of the Congress has a right to know what these effects are, and to know precisely what is proposed in Title II.

To declare by legislation that Mexico's right to use Colorado River water constitutes a "National obligation" would impose a tremendous financial burden upon the nation's taxpayers, and would result in benefit to a relatively small group of southwest interests. Adoption of Title II would constitute a *legislative commitment* by the Congress to construct, at unknown costs, a massive water resource project that has yet to be even studied.

Under present law, the Mexican Water Treaty confirms Mexico's right to an annual supply of 1.5 million acre-feet of water from the Colorado River. Mexico's right to this water must, under the Treaty and under international law, be observed by the seven basin states which also use Colorado River water.

If Title II were enacted, Mexico's right would be an obligation of the River *only until* the United States constructed facilities to furnish 2½ million acre-feet of additional water to the River. In other words, the fact that Mexico's water right is shifted from the river to the United States by Title II would make it virtually *mandatory* upon the Federal Government to step in at a future date and construct the facilities necessary, regardless of the cost, to satisfy Mexico's rights as confirmed in the Treaty.

UNPRECEDENTED COSTS

3. What would construction of these facilities cost? Estimates vary widely dependent upon the source of the water. The Commissioner of the Bureau of Reclamation, during the recent January-February hearings on the bill, had this to say about the cost of importing Columbia River water—one of the alternatives contemplated in Title II—as compared to moving desalted water from the Pacific Coast to Lake Mead.

Question. Do you have any general estimate of what we are talking about in terms of acre-feet costs?

Mr. DOMINY. On a straight projection basis, if it costs \$50 an acre-foot to transport the water 313 miles over a lift of 2800 feet, it looks like it could well cost \$125 to \$150 an acre-foot to transport it 1200 miles because of the extra length and extra pumping head to move it from the Columbia. (p. 897, Hearings on H.R. 3300, Part II).

If we assume a cost of \$150 per acre-foot for importing water, it would cost \$375 million every year to deliver 2½ million acre-feet as called for by Section 201 of the bill. Assuming a 50 year life for the project, the total water cost would be almost \$19 billion.

These costs are associated with a diversion of $2\frac{1}{2}$ million acre-feet per year. And this is a minimum. A larger diversion proposal could materialize from the importation studies authorized by Title, II and it would cost *much more*. The reason a larger diversion could, and probably would materialize is that any engineering plan even to begin to approach the present criteria for economic feasibility would require immense economies of scale and size. Estimates of the initial construction cost of an inter basin diversion have ranged from \$10 to \$30 billion.

Even the smaller, \$10 billion figure is staggering. The entire investment in *all Reclamation facilities constructed since 1902*—Hoover Dam, Grand Coulee Dam, the Colorado River Storage Project, the Missouri River Basin Project, the Central Valley Project, and all the rest—is *only \$5½ billion*.

A further indication of how much money is involved in Title II of this bill may be gained by comparing the smaller \$10 billion figure with the total Federal national resource budget estimate for 1969 of less than $2\frac{1}{2}$ billion.

COST FALLS ON TREASURY

4. At any event, no matter what the ultimate cost of furnishing the minimum of $2\frac{1}{2}$ million acre-feet of water as required under Title II, and no matter what source is ultimately chosen—importation, desalting, etc.—it is clear that under the provisions of the bill, *almost all of the costs would be a nonreimbursable item*, and would therefore be assumed by the Nation's taxpayers through the Federal Government. The Majority Report very frankly recognizes this. At page 18 the Report states: “* * * *the cost of such augmentation will be nonreimbursable or, in other words, a cost charged against the entire Nation.*” [Emphasis added.]

The Bureau of Reclamation estimated in its reconnaissance study of augmentation by desalting that because of evaporation and transportation losses, 1.8 million acre-feet per year would be required to meet Mexico's right to Colorado River water. Using Commissioner Dominy's cost figures on importation, it would cost the United States \$270 million each year to furnish this 1.8 million acre-feet of water. This amounts to an outright *annual* subsidy to the Southwest which is *greater than* the Bureau of Reclamation's *total* annual construction program. This construction program furthermore benefits 17 States and most of its costs will ultimately be repaid by the beneficiaries.

REPAYMENT POLICY REPUDIATED

5. The provisions of H.R. 3300 would not only, commit the nation to make this tremendous investment, but in direct contradiction to traditional reclamation policy, would relieve the beneficiaries of *any* repayment obligation.

The deliveries of water to Mexico will be made whether the river is augmented or not. The water provided by augmentation, therefore, would all be used in the United States, probably for agriculture. Reclamation policy provides that water users must repay the costs associated with the water supply functions of projects. In the case of irrigation, no interest is charged and, in some instances, irrigators'

repayments are limited to their ability to pay and assistance is provided from other sources of project revenues or from "basin accounts."

Under the provisions of H.R. 3300, *no repayment would be made by the users or the basin account* for at least 1.8 million acre-feet of water annually.

ALTERNATIVES' COST IGNORED

6. It should be noted, that the committee's majority report *does not make any reference to the estimated cost of augmenting the Colorado River by any of the alternatives mentioned in Title II*. We think that this is relevant information and that it should not be ignored. It should be brought to the attention of the members of the House before they vote on H.R. 3300.

The costs associated with importation of water from other regions of the Nation are admittedly difficult to ascertain. The preceding discussion, based on Commissioner Dominy's \$150 per acre-foot figure is, we feel, realistic and conservative based on the limited data now available.

There are two other alternative sources of water for augmentation which have considerably more favorable costs.

The first of these is desalting. Recently, the Bureau of Reclamation completed a reconnaissance report on augmentation by desalting sea water on the Pacific Coast and conveying it to Lake Mead on the Colorado River. Commissioner Dominy testified in the recent hearings as follows:

QUESTION. Relative to the reconnaissance report, Commissioner Dominy, I am sure the record is clear on this, but what is the projection for the cost of the desalted water at the oceanside?

Mr. DOMINY. Our reconnaissance studies show, based on the advancement of the science that can be expected to occur in the next 25 years in the judgment of the Atomic Energy people and desalinization experts, that *we could produce the water from the ocean at the plant at about 9.8 cents a thousand gallons. That is roughly \$30 an acre-foot.*

QUESTION. Approximately \$30 an acre-foot.

Mr. DOMINY. Yes, sir.

QUESTION. What is the cost that you have projected for conveyance for pumping the water from the ocean to Lake Mead?

Mr. DOMINY. This would add about another \$50 to it. The conveyance cost, in other words, would be the greater part of the total cost (p. 392, Hearing Record, Part II).

Concerning a second alternative, that of weather modification, Secretary Udall expressed even more optimistic prospects in his prepared statement to the Committee as follows:

Detailed planning is now beginning for a large-scale pilot operation in the Upper Colorado River Basin. Knowledge gained through our comprehensive efforts and those financed through the National Science Foundation gives a firm basis for planning an undertaking of this magnitude. This first pilot project could be logically initiated as early as 1969 or 1970.

We believe it reasonable to anticipate that within 10 years a firm capability to augment Upper Basin streamflow by about 1,900,000 acre-feet annually could be developed. A justifiable large-scale operation could then be started involving:

Seeding within well-defined and localized target areas by remote controlled ground-based generators using silver iodide.

Seeding susceptible winter storms at high elevations to increase winter snowpack.

Modification of winter precipitation in lower or middle elevations of the Upper and Lower Basin and summer precipitation throughout the region are further potentials that could be realized by 1985. [Emphasis added. p. 704, Hearing Record, Part II.]

Concerning the costs of this water he stated further:

Although the average annual streamflow augmentation of about 1,900,000 acre-feet will occur during the spring runoff, regulation provided by the large storage capacity built in the Colorado River Basin will make virtually all the increase usable water supply.

The total annual cost of a full-scale cloud seeding operation in the prime target areas is estimated at \$2,650,000. This estimate includes amortized initial installation and replacement costs, supplies, maintenance, and a continuing analysis of results and any effects on ecological regimes.

The unit cost of producing 1,900,000 acre-feet of new water by cloud seeding is thus estimated as about \$1.50 per-acre-foot. The estimated cost is probably on the high side, representing an upper boundary for costs. Once more is known, careful planning may reduce unit costs to as low as \$1.00 per acre-foot. [Emphasis added. p. 704 Hearing Record, Part II.]

Work toward the realization of these two alternatives is under way and is progressing without the necessity of further authorization and direction in H.R. 3300. Besides the study recently completed by the Bureau of Reclamation, a joint study group formed by the Governments of Mexico and the United States and the International Atomic Energy Agency is making an assessment of the technical and economic practicability of a dual-purpose nuclear power and desalting plant which would serve the general areas of California, Arizona, Baja California, and Sonora. A report is expected soon. A sizable continuing effort toward research and development of desalting technology also has been under way for some time under the auspices of the Department of Interior's Office of Saline Water.

In the field of weather modification, the Bureau of Reclamation has a continuing developmental program in progress which is at the level of \$5 million for fiscal year 1969. A major part of that program is specifically directed toward augmentation of the Colorado River.

It is our judgment that no additional impetus is necessary for the advancement of these programs and that none would result from the adaptation of the study provisions of Title II. On the contrary, re-

sources would very likely be diverted to investigation of the import plan which Title II directs be undertaken.

As was pointed out earlier in these views, as the Majority Report notes on page 39, and as Administration officials have repeatedly testified before this Committee, *there is no need for augmentation of the Colorado River before the year 1990*, if ever. In view of this, we strongly feel that the Congress should not be stampeded into authorization of the costly and far-reaching measures proposed by Title II of H.R. 3300.

COSTLY DANGER OF OBSOLESCENCE

7. If, as a result of the changes made in the Mexican Water Treaty obligation and the feasibility studies authorized by Title II, Congress should in the future hurriedly authorize a massive importation program, it may find that by 1990 the importation program has been rendered totally obsolete and uneconomical by technological advances in desalting and weather modification.

In our judgment, this is a risk which the Nation should not take. We should instead apply this new technology in desalting and weather modification to augmenting the Colorado River as it is developed. The Nation cannot afford to do otherwise.

We recognize that the Southwest is reluctant to wait and see if weather modification can add 2 million acre-feet of water to the Colorado River Basin by 1985 at a cost of \$1.50 per acre-foot. We recognize that the certainty of providing water through a massive importation program has far more immediate popular and political appeal. We feel, however, that in view of the tremendous cost differences involved between importation and weather modification, it is in both the National interest and the Southwest's interest to await these technological advances. This approach is all the more compelling when it is recognized that there is no present or immediate danger of water shortage in the Southwest.

LAW, POLICY AND PROCEDURES IGNORED

8. The provisions of Title II make an unwarranted exception to existing law, violate Congressional policy and ignore regular Committee procedures.

Section 8 of the Federal Water Project Recreation Act of 1965 (79 Stat. 217) requires specific Congressional authorization of feasibility studies. The intent of the Congress in enacting Section 8 of the Water Project Act was to insure that Congress would have an opportunity to review the reconnaissance reports and findings of the Department of the Interior on specific proposals before authorizing more costly and detailed feasibility studies.

Title II would make an exception to Section 8 and the procedures Congress has followed. Title II authorizes and directs the Secretary to prepare a reconnaissance report by 1973, and then to proceed *directly* to the preparation of a feasibility report by 1975 to augment the flow of the Colorado River by a minimum of 21½ million acre-feet. No provision is made for Congressional review of the reconnaissance report as is contemplated by Section 8 of the Water Project Act. No opportunity is available for Congress to weigh the costs and alterna-

tives proposed in the preliminary reconnaissance report before deciding whether to authorize a pre-construction feasibility study.

We do not feel that Section 8 and the policy Congress has followed should be ignored or discarded as is proposed in Title II. This is especially true where the proposed feasibility study would be the most expensive ever undertaken and would be directed toward the most costly and controversial water resource development ever built.

Title II also departs from Congressional policy in two other respects. First, it specifically directs that a reconnaissance study of importation be undertaken. The past practice has always been that the water resource agencies of the Federal government have been granted the discretion to initiate those reconnaissance studies which the Administration determines to be in the National interest. It is our judgment that to direct by legislation, that the Department of the Interior undertake a reconnaissance study of importing water from the Pacific Northwest or other Regions of the Nation is to direct the Department to undertake actions which the Administration recognizes are *not* in the national interest and are *not* financially sound. It is clear that absent legislative direction the Department would not undertake the importation study contemplated by Title II.

Second, Title II directs reconnaissance studies of "weather modification," "desalting," "reductions in losses," and "other means." This directive is, in our judgment, superfluous. These studies as was noted earlier, are, and have been, underway for some years. They *have not* required special legislative authorization. It is clear that their inclusion in Title II is for the sole purpose of avoiding the appearance of what is truly intended: namely, the passage of legislation directing the Secretary to prepare an importation plan for moving millions of acre-feet of water more than a thousand miles. As was stated at the recent hearings on H.R. 3300:

There is nothing that prevents the Department, as the chairman pointed out, from presently studying interbasin studies on a reconnaissance study, the same thing that has been done in desalting. It is not a question of study, *it is a question of whether this Committee should obviously indicate preference for one means of augmentation over another when the studies have not been done and when the information is not in existence.* [Emphasis added. p. 915, Hearings on H.R. 3300, Part II.]

"VETO" PROVISIO IRRELEVANT, UNWISE

9. The Majority Report states that the Secretary "is forbidden to recommend importation from areas of surplus without the approval of the states affected" (p. 18), and that "the veto power given to the states involved before a recommendation can be forwarded to the Congress" insures an objective study and provides positive protection to the areas of origin (p. 42).

We deny the validity of these statements and the inference in both the legislation and Majority Report, that Title II accords *any* protection, or *any* vestige of a so-called "Veto Power" to the states of origin—the states which would be required under Title II to furnish the water the southwest desires if an importation plan should, in the future be authorized.

The language which is cited as providing to the states of origin a "veto" over importation proposals is the proviso of subsection 201 (a) (2) which reads as follows:

Provided, That the Secretary shall not, under the authority of this clause or anything in this Act contained, make any recommendation for importing water into the Colorado River system from other river basins without the approval of those states which will be affected by such exploration, *said approval to be obtained in a manner consistent with the procedure and criteria established by Section I of the Flood Control Act of 1944.* (58 Stat. 887); [*Emphasis added.*]

Contrary to statements in the Majority Report, the pertinent provisions of Section I of the Flood Control Act of 1944 merely provide that—

(1) "to the extent deemed practical" the affected states may receive information on the studies and have an opportunity to consult and cooperate in the investigations.

(2) the states' plans for use of the water resource will be set out in any report to the Congress.

(3) the "written views and recommendations of each affected state * * * may be submitted to [the Secretary] and that they will be transmitted with the Secretary's report and such recommendations as he deems appropriate."

It is clear beyond contradiction that the so-called "veto power" merely gives the affected states an opportunity to review and comment upon the reports of studies. And this is *already* a requirement of law in the Flood Control Act. *Nothing* by the way of protection is added by the proviso of Subsection 201 (a) (2) of H.R. 3300.

The proviso of Subsection 201(a) (2) merely means that if an affected state objects or fails to approve the plan, the Secretary cannot "formally" recommend the adoption of the feasibility plan for importation in his letter transmitting the report. *The report is, nevertheless, transmitted to the Congress.* All that the proviso does is to give the affected states the power to prevent the Secretary from saying in his letters of transmittal to the House and Senate that "I recommend this plan." Instead, he would have to say, "I transmit this detailed construction plan, but cannot officially recommend its authorization because an affected state does not approve it."

NATIONAL WATER COMMISSION

10. The Representatives of the States of the Pacific Northwest have not sought a "veto power" over objective and impartial studies of long range water transfers. We have advocated, however, that such studies should be undertaken by an entity, such as the proposed National Water Commission, which would be capable of considering the long range regional impact and the questions of broad national policy involved.

We object only to studies which would be conducted with a narrow objective and on a schedule which is needlessly accelerated and precludes the possibility of objective and comprehensive findings.

CONCLUSION

We urge the Members of the House to oppose H.R. 3300 in its present form. If Title II of H.R. 3300 becomes law, rational water resource planning in the United States will be gravely threatened.

We believe that Title II and the provisions in other parts of H.R. 3300 which relate to Title II should be eliminated. We believe that the National Water Commission should be established to evaluate long-term policies and alternatives to the Nation's water problems. The evaluation should include studies of transbasin water diversions. Legislation to establish a National Water Commission has already been passed by the House and the Senate in slightly different form.

If, as we recommend, Title II is eliminated from H.R. 3300, the Central Arizona Project and the other provisions of H.R. 3300 can be authorized with our support. Sensible water resource planning can then go forward.

APPENDIX

SUMMARY OF THE PROVISIONS OF TITLE II

Title II of H.R. 3300 authorizes and directs the Secretary of the Interior, in conformity with principles, standards and procedures to be established by the Water Resources Council, to perform studies of the following:

1. Long-range water supply and demand in the Colorado Basin.
2. Sources of augmentation to meet the current and anticipated water requirement of the Colorado Basin including salvage, importation, desalination, weather modification, and other means.
3. Water quality measures.
4. Water conservation practices.
5. Long-range water supply and demand in areas from which importations of water could be made.

The Secretary is authorized and directed to complete reconnaissance reports on these studies by June 30, 1973, and, on the basis of these reports, to proceed with feasibility studies of an augmentation plan leading to a feasibility report by January 1, 1975.

Title II further provides that the requirements of the Mexican Water Treaty shall be the first obligation of the augmentation and that this will be a "national obligation."

The remaining provisions of Title II are:

1. Directions to the Secretary to provide protection of the interests of the states of origin against the consequences of water exportation.
2. Priority to uses of water in the states of origin over exportation works.
3. Annual progress reports to be prepared by the Secretary.
4. Authorization of appropriations for the investigations with no limitation stated.

For the reasons expressed in these views, we oppose the enactment of H.R. 3300.

WENDELL WYATT,
Member of Congress.
THOMAS S. FOLEY,
Member of Congress.
GEORGE V. HANSEN,
Member of Congress.
LLOYD MEEDS,
Member of Congress.
JAMES A. MCCLURE,
Member of Congress.

SEPARATE VIEWS ON HOOKER DAM SITE

We want to express our concern about the provision of H.R. 3300 as amended which authorizes the construction of a "Hooker Dam or suitable alternative" on the Gila River in New Mexico.

Construction at the Hooker site of a dam high enough to store the amount of water allocated in this bill to New Mexico would result in the backing of slack reservoir water across land within the Gila Primitive Area, which is subject to review for future inclusion in the National Wilderness Preservation System, and through the Gila Gorge some nine miles within the Gila Wilderness Area.

The Gila Wilderness Area is one of 54 units of the National Wilderness Preservation System established by the Congress just four years ago, by means of the Wilderness Act (Public Law 88-577), "to secure for the American people of present and future generations the benefits of an enduring resource of wilderness." Through the leadership of the late Aldo Leopold, it also was the *first* wilderness established by the Forest Service in the United States in 1924. It should not be degraded by a man-made, unnatural intrusion as a result of this legislation.

If the Forest Service is going to be able to fully protect the Gila Wilderness from non-conforming uses and developments, the bill should be amended to eliminate all reference to the Hooker site. An alternative dam site downstream, the Connor site, should be substituted for the Hooker site in the bill's language to avoid this direct threat to the Wilderness Area. The phrase, "Conner Dam or suitable alternative," would be preferable to the present language. Many members of the full Committee favored this language over the present language of H.R. 3300, which, as a minimum, must be interpreted by the Secretary of the Interior as a clear mandate to find an alternative to the Hooker site.

During the Committee's consideration of this portion of the bill, it became obvious that adequate, up-to-date technical studies of the Hooker project, and the most feasible alternatives based on the provisions of the current legislation, were lacking. Because the Wilderness Act requires a determination that a water-development project within a wilderness will better serve the interests of the United States than will its denial, and because the necessary study had not been made that would have furnished the facts on which the Committee could have made a decision, the Committee amended the bill to require such a study (the "Hooker Dam or suitable alternative" language). This amendment—while it does not go as far toward eliminating Hooker Dam as is needed—intends that the Secretary of the Interior shall study the project, taking into account at least the following:

1. The uses to which the water would be put and the benefits that would accrue to the people of the United States; 2. Comparative advantages of different methods of providing the water, such as, but not restricted to, reservoir storage at various sites, purification of brackish water, and pumping from underground sources; 3. Means for protecting existing water rights; 4. Damage to the natural environment, wildlife, and scenic resources, particularly those public lands within the Wilderness Area and Primitive Area; 5. The construction, maintenance and other costs of dams at the Hooker site, Conner site, and other suitable sites, or other alternative water supply methods.

We would like to point out that other wilderness areas will be in great jeopardy if a reservoir and associated developments are permitted in this unit of the National Wilderness Preservation System. We understand that, in Montana, the Bureau of Reclamation has plans to flood out part of the Bob Marshall Wilderness Area by a dam on the Sun River. Also in Montana, the proposed Glacier View Dam would flood irreplaceable wilderness lands in Glacier National Park. Plans exist to construct water-development projects that would invade the Flat Tops wilderness in Colorado, the High Uintas in Utah, and Primitive Areas in Idaho. The Hooker Dam proposal is a test case. We believe it marks a crisis in the history of wilderness preservation in the United States. An alternative to Hooker Dam can and must be found.

An excellent summary of the potential impact of Hooker Dam on the Gila Wilderness, and of the advantages of the alternative Conner site, was published recently by The Wilderness Society, a respected national conservation organization, which with other national conservation groups strongly opposes the authorization of this dam. We quote part of its report:

The Hooker project would destroy extraordinarily scenic wilderness lands and miles of wilderness river, eliminate significant fisheries and wildlife habitat, and obstruct access to the wilderness by foot and horseback.

The Gila River canyon in the Hooker reservoir area is steep and narrow, strictly limiting use of the reservoir for recreational purposes. Precipitous, rocky terrain would make a recreation access road to the reservoir very expensive to build. Few locations on the steep slopes around the reservoir would allow adequate campground, parking, or boat-launching facilities. An alternate dam site downstream—the Conner site—would provide additional recreational facilities without destroying wilderness values.

In summary, we believe the Congress should accept the judgment it made in 1964 when it placed the Gila Wilderness in the Wilderness System, and should not now authorize a reservoir project which will invade the Nations first wilderness and set a pattern for other invasions of the National Wilderness Preservation System in the future.

We urge that the Secretary of the Interior find an alternative to Hooker Dam which will both provide New Mexico with its water and preserve the integrity of the National Wilderness Preservation System.

LLOYD MEEDS.
 PHILLIP BURTON.
 PATSY T. MINK.
 JAMES A. HALEY.
 THEODORE R. KUPFERMAN.
 WILLIAM F. RYAN.
 ROBERT W. KASTENMEIER.
 WENDELL WYATT.
 GEORGE HANSEN.
 HUGH L. CAREY.
 JOHN TUNNEY.
 ED REINECKE.
 JOHN P. SAYLOR.
 JOHN KYL.
 JOE SKUBITZ.
 ROGERS C. B. MORTON.
 THOMAS S. FOLEY.

SEPARATE VIEWS OF MR. HALEY AND MR. SKUBITZ

Delivery of Water from the Colorado River to Mexico in Accordance with the Terms of the Water Treaty of 1944 is Not a National Responsibility

The supply of water available in the Colorado River according to records of recent years will not be sufficient to meet both the needs of all States who have received allocations and the treaty obligations with Mexico. However the treaty obligation is a constant factor and must be met. It is only fair that each State concerned be allocated a proportionately lesser share of water in periods of stringency in order to meet that obligation.

In the event that the total water supply of the Basin is augmented in the future, all proposals are for amounts greater than that required to meet the treaty obligation. All States stand to benefit to some extent from the surplus over treaty needs. They should therefore be required to share in the costs of such augmentation as well.

Augmentation of total water supply would increase the capacity of the system to produce hydroelectric power. The sale of this power is an important element in meeting reimbursement costs. Sharing in the benefits of an increased flow of water carries with it the obligation to share in the costs.

Since all portions of the basin would share in the right to utilize surplus water they should also be required to share any stringency that might occur.

The proposal that the Federal Government assume the responsibility for meeting the treaty obligation is primarily based on the need for augmentation of total water supply, by whatever means. It is almost certain that when this is accomplished that there will be considerable pressure brought to bear to import more than the treaty needs, with basin States bearing only incremental costs. This would amount to local benefits at the national taxpayers' expense since expansion would be possible only after initial construction. The proposal that meeting treaty demands through assumption of national responsibility and augmentation of supply at Federal cost is in a real sense a subterfuge to obtain benefits unfairly to the extent that initial costs would be nonreimbursable.

At the time the Colorado Compact was negotiated and the Mexican Water Treaty was approved it was believed that the Mexican share would come from surplus waters. The total water supply was estimated then to be greater than it has proven to be. This is unfortunate but the States concerned agreed to the compact and the fact that there is less water available than originally thought does not alter the fact that the Mexican obligation has been accepted by the States and its terms must be met by sharing the shortages.

H.R. 3300 as amended and reported by the Committee on Interior and Insular Affairs contains provisions that would declare that satisfaction of the requirements of the Mexican Water Treaty of 1944 con-

stitutes a national obligation (Title II) which shall be the first obligation of any water augmentation project.

It authorizes a study and recommendation of means of augmenting the water supply of the Colorado River whether by weather modification, desalination, interbasin transfer or by whatever alternative means.

The bill stipulates that States from which water might be imported be protected in their rights to water originating in those States.

The bill would direct the Water Resources Council to establish guidelines for such studies.

Augmentation of water supplies has become a matter of immediate concern. Original allocations of water to the Upper and Lower Basins and as among the individual States was based on hydrologic records of previous years which have been found to be larger than is actually the experience of recent years. More water has been allocated than available in the immediate past and is in prospect for the future.

In order to meet the obligation under the Mexican Water Treaty and at the same time to meet the needs of the States of the basin to which they are entitled under the compacts it will be necessary to augment the total water supply.

Several methods of augmentation have been given consideration. Studies being conducted by the Bureau of Reclamation include weather modification, nuclear-powered desalination and trans-basin diversions.

The importation of water from drainage areas outside of the Colorado River Basin has become a precondition for support of the Central Arizona Project. This is because if the project is constructed, anticipated water uses in the Colorado River Basin, including delivery of 1.5 million acre-feet to Mexico, would amount to over 16 million acre-feet if evaporation losses are included. This would preclude any further development of water resources in the Upper Basin to meet anticipated future needs. Without augmentation prospective water supplies in the Colorado River will be insufficient to meet commitments under existing and proposed projects.

No specific source of interbasin transfer of water to augment Colorado supplies has been advanced, consequently no cost figures are available.

For the reasons expressed in these separate views we oppose the provisions of H.R. 3300, as amended, which make the satisfaction of the requirements of the Mexican Water Treaty a national obligation.

JAMES A. HALEY.
JOE SKUBITZ.

SEPARATE VIEWS OF MR. HANSEN AND MR. McCLURE

In addition to our views expressed in "Separate and dissenting views" and in "Additional separate and dissenting views," we cannot support H.R. 3300 as we are opposed to the authorization of studies of inter-regional water transfer until such time as the resources and needs of the Pacific Northwest states and the Southwest states have been identified.

We are sympathetic to the needs of the Southwest states, but we feel that the separate study which would be authorized by H.R. 3300 is premature and undesirable.

The State of Idaho has water needs studies underway to identify our water resources and needs to the year 2070. These studies are being coordinated with other state and federal agencies. In addition, comprehensive framework plans are now underway by federal and state agencies in the eleven western states under the supervision of the Federal Water Resources Council. The framework plans and the State studies should be completed by 1971 or 1972.

It should be pointed out that preliminary studies indicate that upwards of six million additional acres of the Snake River Plain in Idaho can be brought under irrigation. But the water required for this would exceed the annual average flow of the river. Therefore, sympathetic as we are to the needs of the Southwest states, we must oppose the authorization of studies of inter-regional water transfer until such time as our own needs and resources are accurately assessed.

GEORGE V. HANSEN.
JAMES A. McCLURE.

INDIVIDUAL VIEWS OF CONGRESSMAN ED REINECKE

One of the most controversial river basin questions before the Congress in many years has been the Central Arizona Project. I firmly believe that H.R. 3300, as amended, recognizes the needs of all Western States concerned and represents the best compromise achievable for the Nation after years of hard work in holding hearings and reviewing various approaches to further development of the Colorado River.

The bill clearly sets forth California's present position on basin-wide projects, having won the endorsement of the State Administration as well as major agencies involved—the Colorado River Board of California and its six-agency membership, Metropolitan Water District of Southern California, Imperial Irrigation District, Los Angeles Department of Water and Power, Coachella Valley County Water District, San Diego County Water Authority, Palo Verde Irrigation District, California Water Commission, and the Advisory Committee on Western States Water Planning.

The long fight has been waged on a number of principal issues—

The disparity between legal allocations of Colorado River water among the seven States of the basin and the estimated amount of water available each year;

The important matter of augmenting low river-flow, including protection to areas of origin and financial feasibility;

The means of financing the Central Arizona Project; and

The contention of conservation organizations that further construction of dams on the lower stretch of river would destroy the natural beauty and amenity of the Grand Canyon.

The Arizona diversion, designed to meet the needs of water-short areas around Phoenix and Tucson, has not been authorized earlier because other Western States feared that the project would create shortages in their own regions. On June 3, 1963, the Supreme Court handed down its decision in a 40-year dispute between Arizona and California over allocation of waters of the Lower Colorado River (*Arizona v. California*, et. al. 373 U.S. 546-1963). This decision rested on 12 years of judicial proceedings and included the largest body of testimony ever taken under the Court's jurisdiction. The Court generally upheld the position of Arizona over a disputed 1 million acre-feet of water, and in effect gave the State entitlement to sufficient water to make its Central Arizona Project feasible. Under the Colorado River Compact of 1922, the Upper Colorado Basin States and Lower Colorado Basin States each were allocated the use of an average of 7.5 million acre-feet of water annually. The Court ruled that the water available each year to the Lower Colorado Basin States was to be allocated as follows:

	<i>Million acre-feet</i>
California -----	4.4
Arizona -----	2.8
Nevada -----	.3

The 1944 Treaty with Mexico provided that 1.5 million acre-feet of Colorado water was to be delivered to Mexico annually. In addition, an estimated annual evaporation loss from the river amounts to about 1 million acre-feet. Thus the total legal allocations of water under the Compact and Treaty, plus evaporation, amounts to about 17.5 million acre-feet. The actual water available each year normally ranges between 3 to 4 million acre-feet less than this amount, but at present the full allocations are not being used. Although the Court decision established the State allocations, it did not resolve the problem of future shortages predicated on expanding use of the river. California has contended that in the event of low flow, any shortage in allocation should be borne by new water users, mainly the users of the Central Arizona Project.

The size of the Arizona diversion, authorized under H.R. 3300, will enable Arizona to take up to and not to exceed an additional 1.8 million acre-feet of water from the Colorado. Under the bill's provisions, California is guaranteed its 4.4 million acre-feet allocation annually with the understanding that the Arizona diversion will bear any shortage until there is sufficient water made available in the river. This provision holds for any future year, rather than a specified number of years as proposed in other legislation. California gave way on major proportions in agreeing to the 4.4 years ago. We must recognize that California is now using 5.1 and has contracts to 5.4. This to pull back to 4.4 means giving up 700,000 as the first shortage on the river in order to allow Arizona to divert the 1.8 for the Central Arizona Project.

Under the Mexican Treaty, the several States of the basin must supply the assured flow to Mexico out of their own allocations in times of low flow. This requirement is to be waived as soon as water augmentation can be provided. Thus, the fulfillment of the Mexican Treaty is to become a national obligation rather than a continuing onerous responsibility of the several basin States.

To finance the Central Arizona Project it was proposed in earlier legislation that two Federal hydroelectric dams be built at locations near the Grand Canyon National Park. H.R. 3300 includes instead a provision for purchasing electric power needed for the diversion's pumping operation from a coal-fueled generating plant whose construction has been planned by a combine of private utilities and public power agencies. These facilities are an acceptable alternative to the hydroelectric dams which aroused such strong opposition from conservation organizations and which in my analysis would never have made a feasible import program. The bill also provides for a separate Development Fund with revenues originating from Arizona sources going to help finance the project, together with supplemental funds derived from the Pacific Northwest and Southwest Intertie.

To make possible eventual augmentation of Colorado river-flow, the bill authorizes the Federal Water Resources Council to establish procedures and the Department of the Interior to investigate all possible sources of supplementary water from outside the basin, including weather modification, desalination and other means. However, to protect the interests of non-basin States, the bill provides that any recommendation involving importation from surrounding river basins must meet the prior approval of those States affected. A separate

Development Fund is to be established to make possible future construction of such augmentation facilities as may be agreed upon. Revenues derived from the California and Nevada power purchases are to be set aside in this Fund, as well as all surplus revenues derived from the Fund established for the Central Arizona Project.

Many members of Congress, from California, including myself, have introduced legislation embodying these or similar provisions. I consider the compromise bill reported by our subcommittee a good bill—immediately helpful to Arizona and moderate in its reach toward the solution of water problems of other Colorado Basin States, forward looking but practical in approach. I support it wholeheartedly and am pleased to work for its early enactment by the House.

ED REINECKE.



Union Calendar No. 513

90TH CONGRESS
2D SESSION

H. R. 3300

[Report No. 1312]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 1967

Mr. ASPINALL introduced the following bill; which was referred to the Committee on Interior and Insular Affairs

APRIL 24, 1968

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

A BILL

To authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 ~~TITLE I—COLORADO RIVER BASIN PROJECT:~~

4 ~~OBJECTIVES~~

5 ~~SEC. 101. That this Act may be cited as the “Colorado~~
6 ~~River Basin Project Act”.~~

7 ~~SEC. 102. The Congress recognizes that the present and~~
8 ~~growing water shortages in the Colorado River Basin con-~~
9 ~~stitute urgent problems of national concern, and accordingly~~
10 ~~authorizes and directs the National Water Commission estab-~~

lished in title II of this Act and the Water Resources Council, established by the Water Resources Planning Act (Public Law 89-80), to give highest priority to the preparation of a plan and program for the relief of such shortages, in consultation with the States and Federal entities affected, as provided in this Act. This program is declared to be for the purposes, among others, of regulating the flow of the Colorado River; controlling floods; improving navigation; providing for the storage and delivery of the waters of the Colorado River for reclamation of lands, including supplemental water supplies, for municipal, industrial, and other beneficial purposes; improving water quality; providing for basic public outdoor recreation facilities; improving conditions for fish and wildlife; and the generation and sale of hydroelectric power as an incident of the foregoing purposes.

TITLE II—THE NATIONAL WATER COMMISSION; INVESTIGATIONS AND PLANNING

SEC. 201. (a) There is established the National Water Commission (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of seven members, who shall be appointed by the President and serve at his pleasure. No member of the Commission shall, during his period of service on the Commission, hold any other position as an officer or employee of the United States,

1 except as a retired officer or retired civilian employee of the
2 United States.

3 ~~(c)~~ The President shall designate the Chairman of the
4 Commission ~~(hereinafter referred to as the "Chairman")~~
5 from among its members.

6 ~~(d)~~ Members of the Commission may each be compen-
7 sated at the rate of \$100 for each day such member is
8 engaged in the actual performance of duties vested in the
9 Commission. Each member shall be reimbursed for travel
10 expenses, including per diem in lieu of subsistence, as author-
11 ized by law ~~(5 U.S.C. 73b-2)~~ for persons in the Govern-
12 ment service employed intermittently.

13 ~~(e)~~ The Commission shall have an executive director,
14 who shall be appointed by the Chairman with the approval
15 of the President and shall be compensated at the rate pro-
16 vided by law for level IV of the Federal Executive Salary
17 Schedule. The executive director shall have such duties and
18 responsibilities as the Chairman may assign.

19 SEC. 202. ~~(a)~~ The Commission shall ~~(1)~~ review pres-
20 ent and anticipated national water resource problems, mak-
21 ing such projections of water requirements as may be
22 necessary and identifying alternative ways of meeting these
23 requirements—giving consideration, among other things, to
24 conservation and more efficient use of existing supplies, in-

1 creased usability by reduction of pollution; innovations to
2 encourage the highest economic use of water; interbasin
3 transfers; and technological advances including, but not lim-
4 ited to desalting, weather modification and waste water puri-
5 fication and reuse; (2) consider economic and social conse-
6 quences of water resource development, including, for ex-
7 ample, the impact of water resource development on regional
8 economic growth, on institutional arrangements, and on
9 esthetic values affecting the quality of life of the Ameri-
10 can people; (3) advise on such specific water resource
11 matters as may be referred to it by the President and the
12 Water Resources Council established in section 101 of the
13 Water Resources Planning Act (79 Stat. 245) (herein-
14 after referred to as the "Council"); and (4) conduct such
15 specific investigations as are authorized herein or as here-
16 after may be authorized by the Congress.

17 (b) The Commission shall consult with the Council re-
18 garding its studies and shall furnish its proposed reports and
19 recommendations to the Council for review and comment.
20 The Commission shall submit to the President such interim
21 and final reports as it deems appropriate, and the Council
22 shall submit to the President its views on the Commission's
23 reports. The President shall transmit the Commission's final
24 report to the Congress together with such comments and
25 recommendations for legislation as he deems appropriate.

1 ~~(c)~~ The Commission shall terminate not later than six
2 years from the effective date of this Act.

3 SEC. 203. ~~(a)~~ The Commission may ~~(1)~~ hold such
4 hearings, sit and act at such times and places, take such testi-
5 mony, and receive such evidence as it may deem advisable;
6 ~~(2)~~ acquire, furnish, and equip such office space as is nec-
7 essary; ~~(3)~~ use the United States mails in the same manner
8 and upon the same conditions as other departments and
9 agencies of the United States; ~~(4)~~ without regard to the civil
10 service laws and regulations and without regard to the Classi-
11 fication Act of 1949, as amended, employ and fix the compen-
12 sation of such personnel as may be necessary to carry out
13 the functions of the Commission: *Provided*, That of such
14 personnel no more than five persons may receive compensa-
15 tion equivalent to the compensation established for grade 18
16 under the Classification Act of 1949, as amended; ~~(5)~~ pro-
17 cure services as authorized by section 15 of the Act of August
18 2, 1946 (~~5 U.S.C. 55a~~), at rates not to exceed \$100 per
19 diem for individuals; ~~(6)~~ purchase, hire, operate, and main-
20 tain passenger motor vehicles; ~~(7)~~ enter into contracts or
21 agreements for studies and surveys with public and private
22 organizations and transfer funds to Federal agencies and
23 river basin commissions created pursuant to title II of the
24 Water Resources Planning Act to carry out such aspects of
25 the Commission's functions as the Commission determines

1 can best be carried out in that manner; and ~~(8)~~ incur such
2 necessary expenses and exercise such other powers as are
3 consistent with and reasonably required to perform its func-
4 tions under this title.

5 ~~(b)~~ Any member of the Commission is authorized to
6 administer oaths when it is determined by a majority of the
7 Commission that testimony shall be taken or evidence re-
8 ceived under oath.

9 SEC. 204. ~~(a)~~ Subject to general policies adopted by
10 the Commission, the Chairman shall be the chief executive of
11 the Commission and shall exercise its executive and admin-
12 istrative powers as set forth in section 203~~(a)~~~~(2)~~ through
13 section 203~~(a)~~~~(8)~~.

14 ~~(b)~~ The Chairman may make such provision as he shall
15 deem appropriate authorizing the performance of any of his
16 executive and administrative functions by the executive direc-
17 tor or other personnel of the Commission.

18 SEC. 205. ~~(a)~~ The Commission shall, to the extent
19 practicable, utilize the services of the Federal water resource
20 agencies.

21 ~~(b)~~ Upon request of the Commission, the head of any
22 Federal department or agency or river basin commission
23 created pursuant to title II of the Water Resources Plan-
24 ning Act is authorized ~~(1)~~ to furnish to the Commission, to

1 the extent permitted by law and within the limits of available
2 funds, including funds transferred for that purpose pur-
3 suant to section 203(a)(7) of this Act, such information as
4 may be necessary for carrying out its functions and as may
5 be available to or procurable by such department or agency,
6 and (2) to detail to temporary duty with this Commission
7 on a reimbursable basis such personnel within his admin-
8 istrative jurisdiction as it may need or believe to be useful
9 for carrying out its functions, each such detail to be with-
10 out loss of seniority, pay, or other employee status.

11 (c) Financial and administrative services (including
12 those related to budgeting, accounting, financial reporting,
13 personnel, and procurement) shall be provided the Com-
14 mission by the General Services Administration, for which
15 payment shall be made in advance, or by reimbursement from
16 funds of the Commission in such amounts as may be agreed
17 upon by the Chairman of the Commission and the Admin-
18 istrator of General Services: *Provided*, That the regulations
19 of the General Services Administration for the collection of
20 indebtedness of personnel resulting from erroneous payments
21 (5 U.S.C. 46e) shall apply to the collection of erroneous
22 payments made to or on behalf of a Commission employee;
23 and regulations of said Administrator for the administra-
24 tive control of funds (31 U.S.C. 665g) shall apply to ap-

1 appropriations of the Commission: *And provided further*, That
2 the Commission shall not be required to prescribe such
3 regulations.

4 SEC. 206. (a) The Council, in consultation with the
5 Commission, acting in accordance with the procedure pre-
6 scribed in section 103 of the Water Resources Planning Act,
7 shall within one hundred and twenty days following the effec-
8 tive date of this Act establish principles, standards, and proce-
9 dures for the program of investigations and submittal of
10 plans and reports authorized by this section and section
11 208. The Secretary of the Interior (hereinafter referred to
12 as the "Secretary"), under the direction of the Commis-
13 sion, in conformity with the principles, standards, and pro-
14 cedures so established, and in accordance with the authority
15 granted in section 205, is authorized and directed to—

16 (1) prepare estimates of the long-range water sup-
17 ply available for consumptive use in the Colorado River
18 Basin, of current water requirements therein, and of the
19 rate of growth of water requirements therein to at least
20 the year 2030;

21 (2) investigate sources and means of supplying
22 water to meet the current and anticipated water require-
23 ments of the Colorado River Basin, including reductions
24 in losses, importations from sources outside the natural

1 drainage basin of the Colorado River system, desalina-
2 tion, weather modification, and other means;

3 (3) investigate projects within the lower basin of
4 the Colorado River, including projects on tributaries of
5 the Colorado River, where undeveloped water supplies
6 are available or can be made available by replacement
7 or exchange;

8 (4) undertake investigations, in cooperation with
9 other concerned agencies, of the feasibility of proposed
10 development plans in maintaining an adequate water
11 quality throughout the Colorado River Basin;

12 (5) investigate means of providing for prudent
13 water conservation practices to permit maximum bene-
14 ficial utilization of available water supplies in the
15 Colorado River Basin;

16 (6) investigate and prepare estimates of the long-
17 range water supply in States and areas from which water
18 may be imported into the Colorado River system, to-
19 gether with estimates of the probable ultimate require-
20 ments for water within those States and areas of origin,
21 for all purposes, including, but not limited to, consump-
22 tive use, navigation, river regulation, power, enhance-
23 ment of fishery resources, pollution control, and disposal

1 of wastes to the ocean, and estimates of the quantities
2 of water, if any, that will be available in excess of such
3 requirements in the States and areas of origin for ex-
4 portation to the Colorado River system; and

5 ~~(7)~~ investigate current and anticipated water re-
6 quirements of areas outside the natural drainage areas
7 of the Colorado River system which feasibly can be
8 served from importation facilities en route to the
9 Colorado River system.

10 ~~(b)~~ The Secretary is authorized and directed to pre-
11 pare reconnaissance reports of a staged plan or plans for
12 projects adequate, in its judgment, to meet the requirements
13 reported under subsection ~~(a)~~ of this section, in conformity
14 with section 207.

15 ~~(c)~~ The plan for the first stage of works to meet the
16 future requirements of the areas of deficiency and surplus
17 as determined from studies performed pursuant to this sec-
18 tion shall include, but not be limited to, import works neces-
19 sary to provide two million five hundred thousand acre-feet
20 annually for use from the main stream of the Colorado
21 River below Lee Ferry, including satisfaction of the obli-
22 gations of the Mexican Water Treaty and losses of water
23 associated with the performance of that treaty. Plans for
24 import works for the first stage may also include facilities
25 to provide water in the following additional quantities:

1 ~~(1)~~ Up to two million acre-feet annually in the
2 Colorado River for use in the Lower Colorado River
3 Basin;

4 ~~(2)~~ Up to two million acre-feet annually in the
5 Colorado River system for use in the Upper Colorado
6 River Basin, directly or by exchange;

7 ~~(3)~~ Such additional quantities, not to exceed two
8 million acre-feet annually, as the Secretary finds may
9 be required and marketable in areas which can be served
10 by said importation facilities en route to the Colorado
11 River system.

12 ~~(d)~~ The Congress declares that the satisfaction of the
13 requirements of the Mexican Water Treaty constitutes a
14 national obligation. Accordingly, the States of the upper di-
15 vision ~~(Colorado, New Mexico, Utah, and Wyoming)~~ and
16 States of the lower division ~~(Arizona, California, and Ne-~~
17 ~~vada)~~ shall be relieved from all obligations which may have
18 been imposed upon them by article III(c) of the Colorado
19 River Compact when the President issues the proclamation
20 specified in section 305(b) of this Act.

21 ~~(e)~~ The Secretary shall submit annually to the Com-
22 mission, the President, and the Congress reports covering
23 progress on the investigations and reports authorized by this
24 section.

25 SEC. 207. ~~(a)~~ In planning works to import water into

1 the Colorado River system from sources outside the natural
2 drainage areas of the system, the Secretary shall make pro-
3 vision for adequate and equitable protection of the interests
4 of the States and areas of origin, including (in the case of
5 works to import water for use in the lower basin of the
6 Colorado River) assistance from the development fund estab-
7 lished by title IV of this Act, to the end that water supplies
8 may be available for use therein adequate to satisfy their
9 ultimate requirements at prices to users not adversely affected
10 by the exportation of water to the Colorado River system.

11 (b) All requirements, present or future, for water
12 within any State lying wholly or in part within the drainage
13 area of any river basin and from which water is exported
14 by works planned pursuant to this Act shall have a priority
15 of right in perpetuity to the use of the waters of that river
16 basin, for all purposes, as against the uses of the water
17 delivered by means of such exportation works, unless other-
18 wise provided by interstate agreement.

19 SEC. 208. (a) On or before December 31, 1970, the
20 Secretary shall submit a proposed reconnaissance report on
21 the first stage of the staged plan of development to the Com-
22 mission and affected States and Federal agencies for their
23 comments and recommendations which shall be submitted
24 within six months after receipt of the report.

25 (b) After receipt of the comments of the Commission,

1 affected States, and Federal agencies on such reconnaissance
2 report, but not later than January 1, 1972, the Secretary
3 shall transmit the report to the President and, through the
4 President, to the Congress. All comments received by the
5 Secretary under the procedure specified in this section shall
6 be included therein. The letter of transmittal and its attach-
7 ments shall be printed as a House or Senate document.

8 SEC. 209. There are hereby authorized to be appropri-
9 ated such sums as are required to carry out the purposes of
10 this title.

11 TITLE III—AUTHORIZED UNITS, PROTECTION
12 OF EXISTING USES

13 SEC. 301. The Secretary shall construct, operate, and
14 maintain the lower basin units of the Colorado River Basin
15 project (herein referred to as the “project”), described in
16 sections 302, 303, 304, 305, and 306.

17 SEC. 302. The main stream reservoir division shall con-
18 sist of the Hualapai (formerly known as Bridge Canyon)
19 unit, including a dam, reservoir, powerplant, transmission
20 facilities, and appurtenant works, and the Coconino and
21 Paria River silt detention reservoirs: *Provided*, That (1)-
22 Hualapai Dam shall be constructed so as to impound water
23 at a normal surface elevation of one thousand eight hundred
24 and sixty-six feet above mean sea level, (2) fluctuations in
25 the reservoir level shall be restricted, so far as practicable,

1 to a regimen of ten feet, and ~~(3)~~ this Act shall not be
2 construed to authorize any diversion of water from Hualapai
3 Reservoir except for incidental uses in the immediate vicinity.
4 The Congress hereby declares that the construction of the
5 Hualapai Dam herein authorized is consistent with the Act
6 of February 26, 1919 ~~(40 Stat. 1175)~~.

7 SEC. 303. ~~(a)~~ As fair and reasonable payment for the
8 permanent use by the United States of not more than
9 twenty-five thousand acres of land designated by the Secre-
10 tary as necessary for the construction, operation, and mainte-
11 nance of the Hualapai unit, said land being a part of the
12 tract set aside and reserved by the Executive order of Janu-
13 ary 4, 1883, for the use and occupancy of the Hualapai Tribe
14 of Arizona ~~(1 Kappler, Indian Laws and Treaties, 804)~~,
15 \$16,398,000 shall be transferred in the Treasury, during con-
16 struction of the unit, to the credit of the Hualapai Tribe from
17 funds appropriated from the general fund of the Treasury to
18 the Department of the Interior, Bureau of Reclamation, for
19 construction of the project and, when so transferred, shall
20 draw interest at the rate of 4 per centum per annum until
21 expended. The funds so transferred may be expended, in-
22 vested, or reinvested pursuant to plans, programs, and agree-
23 ments duly adopted or entered into by the Hualapai Tribe,
24 subject to the approval of the Secretary, in accordance with
25 the tribal constitution and charter.

1 (b) As part of the construction and operation of the
2 Hualapai unit, the Secretary shall (1) construct a paved
3 road, having a minimum width of twenty-eight feet, from
4 Peach Springs, Arizona, through and along Peach Springs
5 Canyon within the Hualapai Indian Reservation, to provide
6 all-weather access to the Hualapai Reservoir; and (2) make
7 available to the Hualapai Tribe up to twenty-five thousand
8 kilowatts and up to one hundred million kilowatt-hours an-
9 nually of power from the Hualapai unit at the lowest rate
10 established by the Secretary for the sale of firm power from
11 said unit for the use of preferential customers: *Provided*,
12 That the tribe may resell such power only to users within
13 the Hualapai Reservation: *Provided further*, That the Hua-
14 lapai Tribal Council shall notify the Secretary in writing
15 of the reasonable power requirements of the tribe up to
16 the maximum herein specified, for each three-year period
17 in advance beginning with the date upon which power from
18 the Hualapai unit becomes available for sale. Power not
19 so reserved may be disposed of by the Secretary for the
20 benefit of the development fund.

21 (c) Except as to such lands which the Secretary deter-
22 mines are required for the Hualapai Dam and Reservoir
23 site and the construction of the operating campsite and town-
24 site, all minerals of any kind whatsoever, including oil and
25 gas but excluding sand and gravel and other building and

1 construction materials, within the areas used by the United
2 States pursuant to this section are hereby reserved to the
3 Hualapai Tribe: *Provided*, That no permit, license, lease or
4 other document covering the exploration for or the extraction
5 of such minerals shall be granted by the tribe nor shall the
6 tribe conduct such operations for its own account, except
7 under such conditions and with such stipulations as are neces-
8 sary to protect the interests of the United States in the con-
9 struction, operation, and maintenance of the Hualapai unit.

10 (d) The Hualapai Tribe shall have the exclusive right,
11 if requested in writing by the tribe, to develop the recreation
12 potential of, and shall have the exclusive right to control
13 access to, the reservoir shoreline adjacent to the reservation,
14 subject to conditions established by the Secretary for use of
15 the reservoir to protect the operation of the project. Any
16 recreation development established by the tribe shall be con-
17 sistent with the Secretary's rules and regulations to protect
18 the overall recreation development of the project. The tribe
19 and the members thereof shall have nonexclusive personal
20 rights to hunt and fish on the reservoir without charge, but
21 shall have no right to exclude others from the reservoir ex-
22 cept as to those who seek to gain access through the Huala-
23 pai Reservation, nor the right to require payments to the
24 tribe except for the use of tribal lands or facilities: *Provided*,
25 That under no circumstances will the Hualapai Tribe make

1 any charge, or extract any compensation, or in any other
2 manner restrict the access or use of the paved road to be con-
3 structed within the Hualapai Indian Reservation pursuant to
4 this Act. The use by the public of the water areas of the
5 project shall be pursuant to such rules and regulations as the
6 Secretary may prescribe.

7 ~~(e)~~ Except as limited by the foregoing, the Hualapai
8 Tribe shall have the right to use and occupy the area of the
9 Hualapai unit within the Hualapai Reservation for all pur-
10 poses not inconsistent with the construction, operation, and
11 maintenance of the project and townsite, including, but not
12 limited to, the right to lease such lands for farming, grazing,
13 and business purposes to members or nonmembers of the
14 tribe and the power to dispose of all minerals as provided
15 in paragraph ~~(e)~~ hereof.

16 ~~(f)~~ Upon a determination by the Secretary that all or
17 any part of the lands utilized by the United States pursuant
18 to paragraph ~~(a)~~ of this section is no longer necessary for
19 purposes of the project, such lands shall be restored to the
20 Hualapai Tribe for its full use and occupancy.

21 ~~(g)~~ No part of any expenditures made by the United
22 States, and no reservation by or restoration to the Hualapai
23 Tribe of the use of land under any of the provisions of this
24 section shall be charged by the United States as an offset or

1 counterclaim against any claim of the Hualapai Tribe against
2 the United States other than claims arising out of the utiliza-
3 tion of lands for the project: *Provided, however,* That the
4 payment of moneys and other benefits as set forth herein
5 shall constitute full, fair, and reasonable payment for the
6 permanent use of the lands by the United States.

7 ~~(h)~~ All funds authorized by this section to be paid or
8 transferred to the Hualapai Tribe, and any per capita dis-
9 tribution derived therefrom, shall be exempt from all forms
10 of State and Federal income taxes.

11 ~~(i)~~ No payments shall be made or benefits conferred
12 as set forth in this section until the provisions hereof have
13 been accepted by the Hualapai Tribe through a resolution
14 duly adopted by its tribal council. In the event such resolu-
15 tion is not adopted within six months from the effective date
16 of this Act, and litigation thereafter is instituted regarding the
17 use by the United States of lands within the Hualapai Res-
18 ervation or payment therefor, the amounts of the payments
19 provided herein and the other benefits set out shall not be
20 regarded as evidencing value or as recognizing any right of
21 the tribe to compensation.

22 SEC. 304. ~~(a)~~ The Central Arizona unit shall consist
23 of the following principal works: ~~(1)~~ a system of main con-
24 duits and canals, including a main canal and pumping
25 plants ~~(Granite Reef aqueduct and pumping plants)~~, for

1 diverting and carrying water from Lake Havasu to Orme
2 Dam or suitable alternative, which system shall have a
3 capacity of two thousand five hundred cubic feet per second
4 ~~(A)~~ unless the definite plan report of the Bureau of Recla-
5 mation shows that additional capacity ~~(i)~~ will provide an
6 improved benefit-to-cost ratio and ~~(ii)~~ will enhance the abil-
7 ity of the Central Arizona unit to divert water from the
8 main stream to which Arizona is entitled and ~~(B)~~ unless the
9 Secretary finds that the additional cost resulting from such
10 additional capacity can be financed by funds from sources
11 other than the funds credited to the development fund pur-
12 suant to section 403 of this Act and without charge, directly
13 or indirectly, to water users or power customers in the States
14 of California and Nevada; ~~(2)~~ Orme Dam and Reservoir
15 and power pumping plant or suitable alternative; ~~(3)~~ Buttes
16 Dam and Reservoir, which shall be so operated as to not
17 prejudice the rights of any user in and to the waters of the
18 Gila River as those rights are set forth in the decree entered
19 by the United States District Court for the District of Ari-
20 zona on June 29, 1935, in United States against Gila Val-
21 ley Irrigation District and others ~~(Globe Equity Number~~
22 ~~59)~~; ~~(4)~~ Hooker Dam and Reservoir, which shall be con-
23 structed to an initial capacity of ninety-eight thousand acre-
24 feet and in such a manner as to permit subsequent enlarge-
25 ment of the structure ~~(to give effect to the provisions of~~

1 section 304(c) and (d)); (5) Charleston Dam and Reser-
2 voir; (6) Tucson aqueducts and pumping plants; (7) Salt-
3 Gila aqueduct; (8) canals, regulating facilities, powerplants,
4 and electrical transmission facilities; (9) related water dis-
5 tribution and drainage works; and (10) appurtenant works.

6 (b) Unless and until otherwise provided by Congress,
7 water from the natural drainage area of the Colorado River
8 system diverted from the main stream below Lee Ferry for
9 the Central Arizona unit shall not be made available di-
10 rectly or indirectly for the irrigation of lands not having a
11 recent irrigation history as determined by the Secretary,
12 except in the case of Indian lands, national wildlife refuges,
13 and, with the approval of the Secretary, State-administered
14 wildlife management areas. It shall be a condition of each
15 contract under which such water is provided under the
16 Central Arizona unit that (1) there be in effect measures,
17 adequate in the judgment of the Secretary, to control ex-
18 pansion of irrigation from aquifers affected by irrigation
19 in the contract service area; (2) the canals and distribution
20 systems through which water is conveyed after its delivery
21 by the United States to the contractors shall be provided
22 and maintained with linings, adequate in his judgment to
23 prevent excessive conveyance losses; (3) neither the con-
24 tractor nor the Secretary shall pump or permit others to
25 pump ground water from lands located within the exterior

1 boundaries of any Federal reclamation project or irrigation
2 district receiving water from the Central Arizona unit for
3 any use outside such Federal reclamation project or irriga-
4 tion district, unless the Secretary and the agency or orga-
5 nization operating and maintaining such Federal reclamation
6 project or irrigation district shall agree or shall have pre-
7 viously agreed that a surplus of ground water exists and
8 that drainage is or was required; and ~~(4)~~ all agricultural,
9 municipal and industrial waste water, return flow, seepage,
10 sewage effluent and ground water located in or flowing from
11 contractor's service area originating or resulting from ~~(i)~~
12 waters contracted for from the Central Arizona unit or
13 ~~(ii)~~ waters stored or developed by any Federal reclamation
14 project are reserved for the use and benefit of the United
15 States as a source of supply for the service area of the
16 Central Arizona unit or for the service area of the Federal
17 reclamation project, as the case may be: *Provided*, That not-
18 withstanding the provisions of clause ~~(3)~~ of this sentence;
19 the agricultural, municipal and industrial waste water, return
20 flow, seepage, sewage effluent and ground water in or from
21 any such Federal reclamation project, may also be pumped
22 or diverted for use and delivery by the United States else-
23 where in the service area of the Central Arizona unit, if not
24 needed for use or reuse in such Federal reclamation project.
25 ~~(e)~~ The Secretary may require as a condition in any

1 contract under which water is provided from the Central
2 Arizona unit that the contractor agree to accept main stream
3 water in exchange for or in replacement of existing supplies
4 from sources other than the main stream. The Secretary
5 shall so require in contracts with such contractors in Arizona
6 who also use water from the Gila River system, to the extent
7 necessary to make available to users of water from the
8 Gila River system in New Mexico additional quantities of
9 water as provided in and under the conditions specified in
10 subsections ~~(e)~~ and ~~(f)~~ of this section: *Provided*, That
11 such exchanges and replacements shall be accomplished with
12 out economic injury or cost to such Arizona contractors:

13 ~~(d)~~ In times of shortage or reduction of main stream
14 water for the Central Arizona unit (if such shortages or
15 reductions should occur), contractors which have yielded
16 water from other sources in exchange for main stream water
17 supplied by that unit shall have a first priority to receive
18 main stream water, as against other contractors supplied
19 by that unit which have not so yielded water from other
20 sources, but only in quantities adequate to replace the water
21 so yielded.

22 ~~(e)~~ In the operation of the Central Arizona unit, the
23 Secretary shall offer to contract with water users in New
24 Mexico for water from the Gila River, its tributaries and
25 underground water sources, in amounts that will permit con-

1 sumptive use of water in New Mexico not to exceed an annual
2 average in any period of ten consecutive years of eighteen
3 thousand acre-feet, including reservoir evaporation, over and
4 above the consumptive uses provided for by article IV of the
5 decree of the Supreme Court of the United States in Ari-
6 zona against California (376 U.S. 340). Such increased
7 consumptive uses shall not begin until and shall continue only
8 so long as delivery of Colorado River water to downstream
9 Gila River users in Arizona is being accomplished in accord-
10 ance with this Act, in quantities sufficient to replace any
11 diminution of their supply resulting from such diversions from
12 the Gila River, its tributaries and underground water sources.
13 In determining the amount required for this purpose full
14 consideration shall be given to any differences in the quality
15 of the waters involved.

16 (f) The Secretary shall further offer to contract with
17 water users in New Mexico for water from the Gila River, its
18 tributaries and underground water sources in amounts that
19 will permit consumptive uses of water in New Mexico not to
20 exceed an annual average in any period of ten consecutive
21 years of an additional thirty thousand acre-feet, including
22 reservoir evaporation. Such further increases in consumptive
23 use shall not begin until and shall continue only so long as
24 works capable of importing water into the Colorado River
25 system have been completed and water sufficiently in excess

1 of two million eight hundred thousand acre-feet per annum
2 is available from the main stream of the Colorado River for
3 consumptive use in Arizona to provide water for the ex-
4 changes herein authorized and provided. In determining the
5 amount required for this purpose full consideration shall be
6 given to any differences in the quality of the waters involved.

7 ~~(g)~~ All additional consumptive uses provided for in sub-
8 sections ~~(e)~~ and ~~(f)~~ of this section shall be subject to all
9 rights in New Mexico and Arizona as established by the de-
10 cree entered by the United States District Court for the Dis-
11 trict of Arizona on June 29, 1935, in United States against
12 Gila Valley Irrigation District and others ~~(Globe Equity~~
13 ~~Number 59)~~ and to all other rights existing on the effective
14 date of this Act in New Mexico and Arizona to water from
15 the Gila River, its tributaries and underground water sources,
16 and shall be junior thereto and shall be made only to the
17 extent possible without economic injury or cost to the holders
18 of such rights.

19 SEC. 305. ~~(a)~~ Article II(B)(3) of the decree of the
20 Supreme Court of the United States in Arizona against Cali-
21 fornia ~~(376 U.S. 340)~~ shall be so administered that in any
22 year in which, as determined by the Secretary, there is insuf-
23 ficient main stream Colorado River water available for re-
24 lease to satisfy annual consumptive use of seven million five
25 hundred thousand acre-feet in Arizona, California, and

1 Nevada, diversions from the main stream for the Central
2 Arizona unit shall be so limited as to assure the availability
3 of water in quantities sufficient to provide for the aggregate
4 annual consumptive use by holders of present perfected
5 rights, by other users in the State of California served under
6 existing contracts with the United States by diversion works
7 heretofore constructed and by other existing Federal reserva-
8 tions in that State, of four million four hundred thousand
9 acre-feet of main stream water, and by users of the same
10 character in Arizona and Nevada. Water users in the State
11 of Nevada shall not be required to bear shortages in any pro-
12 portion greater than would have been imposed in the absence
13 of this section 305-(a). This section shall not affect the
14 relative priorities, among themselves, of water users in Ari-
15 zona, Nevada, and California which are senior to diversions
16 for the Central Arizona unit, or amend any provisions of
17 said decree.

18 -(b) The limitation stated in paragraph (a) shall cease
19 whenever the President shall proclaim that works have been
20 completed and are in operation, capable in his judgment of
21 delivering annually not less than two million five hundred
22 thousand acre-feet of water into the main stream of the Colo-
23 rado River below Lee Ferry from sources outside the natural
24 drainage area of the Colorado River system; and that such

1 sources are adequate, in the President's judgment, to supply
2 such quantities without adverse effect upon the satisfaction
3 of the foreseeable water requirements of any State from
4 which such water is imported into the Colorado River sys-
5 tem. Such imported water shall be made available for use
6 in accordance with subsection ~~(c)~~ of this section.

7 ~~(c)~~ To the extent that the flow of the main stream of
8 the Colorado River is augmented by such importations in
9 order to make sufficient water available for release, as deter-
10 mined by the Secretary pursuant to article ~~II(B)(1)~~ of the
11 decree of the Supreme Court of the United States in Arizona
12 against California (~~376 U.S. 340~~), to satisfy annual con-
13 sumptive use of two million eight hundred thousand acre-feet
14 in Arizona, four million four hundred thousand acre-feet in
15 California, and three hundred thousand acre-feet in Nevada,
16 respectively, the Secretary shall make such additional water
17 available to users of main stream water in those States at the
18 same costs and on the same terms as would be applicable
19 if main stream water were available for release in the quan-
20 tities required to supply such consumptive use, taking into
21 account, among other things, ~~(1)~~ the nonreimbursable allo-
22 cation to the replenishment of the deficiencies occasioned by
23 satisfaction of the Mexican Treaty burden provided for in
24 section 401, and ~~(2)~~ such assistance as may be available

1 from the development fund established by title IV of this
2 Act.

3 ~~(d)~~ Imported water made available for use in the lower
4 basin to supply aggregate annual consumptive uses from
5 the main stream in excess of seven million five hundred
6 thousand acre-feet shall be offered by the Secretary for
7 use in the States of Arizona, California, and Nevada in
8 the proportions provided in article II(B)(2) of said
9 decree. The Secretary shall establish prices therefor which
10 take into account such assistance as may be available from
11 the development fund established by title IV of this Act
12 in excess of the demands upon that fund occasioned by the
13 requirements stated in subsection ~~(c)~~ of this section. With-
14 in each State, opportunity to take such water shall first be
15 offered to persons or entities who are water users as of the
16 effective date of this Act, and in quantities equal to the defi-
17 ciencies which would result if the total quantity available for
18 consumptive use from the main stream in such State were
19 only the quantity apportioned to that State by article II(B)
20 ~~(1)~~ of said decree.

21 ~~(e)~~ Imported water made available for use in the upper
22 basin of the Colorado River, directly or by exchange, shall
23 be offered by the Secretary for contract by water users in
24 the States of Colorado, New Mexico, Utah, and Wyoming in

1 the proportions, as among those States, stated in the Upper
2 Colorado River Basin Compact, and at prices which take into
3 account such assistance as may be available from the Upper
4 Colorado River Basin Fund, in excess of the demands upon
5 that fund occasioned by the requirements of the Colorado
6 River Storage Project Act.

7 (f) Imported water not delivered into the Colorado
8 River system but diverted from the works constructed to
9 import water into that system shall be made available to
10 water users in accordance with the Federal reclamation laws.

11 SEC. 306. The main stream salvage unit shall include
12 programs for water salvage along and adjacent to the main
13 stream of the Colorado River and for ground water recovery.
14 Such programs shall be consistent with maintenance of a
15 reasonable degree of undisturbed habitat for fish and wildlife
16 in the area, as determined by the Secretary.

17 SEC. 307. The Secretary shall construct, operate, and
18 maintain such additional works as shall from time to time
19 be authorized by the Congress as units of the project.

20 SEC. 308. The conservation and development of the
21 fish and wildlife resources and the enhancement of recrea-
22 tion opportunities in connection with the project works
23 authorized pursuant to this title shall be in accordance with
24 the provisions of the Federal Water Project Recreation
25 Act (79 Stat. 213).

1 SEC. 309. The Secretary shall integrate the Dixie proj-
 2 ect and Southern Nevada water supply project heretofore
 3 authorized into the project herein authorized as units thereof
 4 under repayment arrangements and participation in the de-
 5 velopment fund established by title IV of this Act consistent
 6 with the provisions of this Act.

7 SEC. 310. There is hereby authorized to be appropriated
 8 to carry out the purposes of this title the sum of \$1,167,000,-
 9 000 based on estimated costs as of October, 1963, plus
 10 or minus such amounts, if any, as may be justified by reason
 11 of ordinary fluctuations in construction costs as indicated by
 12 engineering cost indices applicable to the types of con-
 13 struction involved.—

14 TITLE IV—LOWER COLORADO RIVER BASIN DE-
 15 DEVELOPMENT FUND: ALLOCATION AND RE-
 16 PAYMENT OF COSTS: CONTRACTS

17 SEC. 401. Upon completion of each lower basin unit
 18 of the project herein or hereafter authorized, or separate
 19 feature thereof, the Secretary shall allocate the total costs of
 20 constructing said unit or features to (1) commercial power,
 21 (2) irrigation, (3) municipal and industrial water supply,
 22 (4) flood control, (5) navigation, (6) water quality con-
 23 trol, (7) recreation, (8) fish and wildlife, (9) the replen-
 24 ishment of the depletion of Colorado River flows available
 25 for use in the United States occasioned by performance of the

1 Water Treaty of 1944 with the United Mexican States
2 ~~(treaty series 994), (10)~~ the additional capacity of the
3 system of main conduits and canals of the Central Arizona
4 unit referred to in section 304(a), item ~~(1)~~, in excess of
5 two thousand five hundred cubic feet per second, and ~~(11)~~
6 any other purposes authorized under the Federal reclamation
7 laws. Costs of construction, operation, and maintenance
8 allocated to the replenishment of the depletion of Colorado
9 River flows available for use in the United States occasioned
10 by compliance with the Mexican Water Treaty ~~(including~~
11 ~~losses in transit, evaporation from regulatory reservoirs, and~~
12 ~~regulatory losses at the Mexican boundary, incurred in the~~
13 ~~transportation, storage, and delivery of water in discharge~~
14 ~~of the obligations of that treaty)~~ shall be nonreimbursable.
15 All funds paid or transferred to Indian tribes pursuant to
16 this Act, including interest on such funds in the Treasury
17 of the United States, and costs of construction of the paved
18 road, authorized in section 303(b) hereof, shall be non-
19 reimbursable. The repayment of costs allocated to recreation
20 and fish and wildlife enhancement shall be in accordance
21 with the provisions of the Federal Water Project Recreation
22 Act ~~(79 Stat. 213)~~. Costs allocated to nonreimbursable pur-
23 poses shall be nonreturnable under the provisions of this Act.
24 Costs allocated to the additional capacity of the system of
25 main conduits and canals of the Central Arizona unit, re-

ferred to in section 304(a), item (1), in excess of two thousand five hundred cubic feet per second shall be recovered as directed in section 304(a).

SEC. 402. The Secretary shall determine the repayment capability of Indian lands within, under, or served by any unit of the project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 464), and such costs as are beyond repayment capability of such lands shall be nonreimbursable.

SEC. 403. (a) There is hereby established a separate fund in the Treasury of the United States, to be known as the Lower Colorado River Basin development fund (hereinafter called the "development fund"), which shall remain available until expended as hereafter provided for carrying out the provisions of title III.

(b) All appropriations made for the purposes of carrying out the aforesaid provisions of title III of this Act shall be credited to the development fund as advances from the general fund of the Treasury, and shall be available for such purpose.

(c) There shall also be credited to the development fund—

1 ~~(1)~~ All revenues collected in connection with the
2 operation of facilities herein and hereafter authorized
3 in furtherance of the purposes of this Act (except en-
4 trance, admission, and other recreation fees or charges
5 and proceeds received from recreation concessionaires);
6 and—

7 ~~(2)~~ all Federal revenues from the Boulder Canyon
8 and Parker-Davis projects which, after completion of re-
9 payment requirements of the said Boulder Canyon and
10 Parker-Davis projects, are surplus, as determined by the
11 Secretary, to the operation, maintenance, and replace-
12 ment requirements of those projects.

13 ~~(d)~~ All revenues collected and credited to the develop-
14 ment fund pursuant to this Act shall be available, without
15 further appropriation, for—

16 ~~(1)~~ defraying the costs of operation, maintenance,
17 and replacements of, and emergency expenditures for,
18 all facilities of the project, within such separate limita-
19 tions as may be included in annual appropriation Acts;

20 ~~(2)~~ payments, if any, as required by section 502
21 of this Act;

22 ~~(3)~~ payments as required by subsection ~~(f)~~ of this
23 section; and

24 ~~(4)~~ payments to reimburse water users in the State
25 of Arizona for losses sustained as a result of diminut-

tion of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 304 of this Act.

~~(e)~~ Revenues credited to the development fund shall not be available for construction of the works comprised within any unit of the project herein or hereafter authorized except upon appropriation by the Congress.

~~(f)~~ Revenues in the development fund in excess of the amount necessary to meet the requirements of clauses ~~(1)~~, ~~(2)~~, and ~~(4)~~ of subsection ~~(d)~~ of this section shall be paid annually to the general fund of the Treasury to return—

~~(1)~~ the costs of each unit of the project or separable feature thereof, authorized pursuant to title III of this Act which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act, within a period not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law;

~~(2)~~ the costs which are allocated to recreation or fish and wildlife enhancement in accordance with the provisions of the Federal Water Project Recreation Act ~~(79 Stat. 213)~~; and

1 ~~(3)~~ interest ~~(including interest during construction)~~
2 on the unamortized balance of the investment in the com-
3 mercial power and municipal and industrial water sup-
4 ply features of the project at a rate determined by the
5 Secretary of the Treasury in accordance with the provi-
6 sions of subsection ~~(h)~~ of this section, and interest due
7 shall be a first charge.

8 ~~(g)~~ To the extent that revenues remain in the develop-
9 ment fund after making the payments required by subsections
10 ~~(d)~~ and ~~(f)~~ of this section, they shall be available, upon
11 appropriation by the Congress, to repay the costs incurred in
12 connection with units hereafter authorized in providing ~~(i)~~
13 for the importation of water into the main stream of the Colo-
14 rado River for use below Lee Ferry as provided in section
15 206 ~~(e)~~ to the extent that such costs are in excess of the costs
16 allocated to the replenishment of the depletion of Colorado
17 River flows available for use in the United States occasioned
18 by performance of the Mexican Water Treaty as provided
19 in section 401, and ~~(ii)~~ protection of States and areas of
20 origin of such imported water as provided in section 207 ~~(a)~~.

21 ~~(h)~~ The interest rate applicable to those portions of the
22 reimbursable costs of each unit of the project which are
23 properly allocated to commercial power development and
24 municipal and industrial water supply shall be determined
25 by the Secretary of the Treasury, as of the beginning of the

1 fiscal year in which the first advance is made for initiating
2 construction of such unit, on the basis of the computed aver-
3 age interest rate payable by the Treasury upon its outstand-
4 ing marketable public obligations which are neither due nor
5 callable for redemption for fifteen years from the date of
6 issue.

7 (i) Business-type budgets shall be submitted to the Con-
8 gress annually for all operations financed by the develop-
9 ment fund.

10 SEC. 404. (a) Irrigation repayment contracts shall pro-
11 vide for repayment of the obligation assumed under any irri-
12 gation repayment contract with respect to any project con-
13 tract unit or irrigation block over a basic period of not more
14 than fifty years exclusive of any development periods author-
15 ized by law; contracts authorized by section 9(c) of the
16 Reclamation Project Act of 1939 (53 Stat. 1196; 43 U.S.C.
17 485h(c)) may provide for delivery of water for a period of
18 fifty years and for the delivery of such water at an identical
19 price per acre-foot for water of the same class at the several
20 points of delivery from the main canals and conduits and
21 from such other points of delivery as the Secretary may des-
22 ignate; and long-term contracts relating to irrigation water
23 supply shall provide that water made available thereunder
24 may be made available by the Secretary for municipal or

1 industrial purposes if and to the extent that such water is not
2 required by the contractor for irrigation purposes.

3 ~~(b)~~ Contracts relating to municipal and industrial water
4 supply from the project may be made without regard to the
5 limitations of the last sentence of section 9(c) of the Recla-
6 mation Project Act of 1939 (53 Stat. 1194); may provide
7 for the delivery of such water at an identical price per acre-
8 foot for water of the same class at the several points of de-
9 livery from the main canals and conduits; and may provide for
10 repayment over a period of fifty years if made pursuant to
11 clause ~~(1)~~ of said section and for the delivery of water over
12 a period of fifty years if made pursuant to clause ~~(2)~~
13 thereof.

14 SEC. 405. On January 1 of each year the Secretary
15 shall report to the Congress, beginning with the fiscal year
16 ending June 30, 1968, upon the status of the revenues from
17 and the cost of constructing, operating, and maintaining the
18 project and each unit thereof for the preceding fiscal year.
19 The report of the Secretary shall be prepared to reflect
20 accurately the Federal investment allocated at that time to
21 power, to irrigation and to other purposes, the progress of
22 return and repayment thereon, and the estimated rate of
23 progress, year by year, in accomplishing full repayment.

1 ~~TITLE V—UPPER COLORADO RIVER BASIN~~2 ~~AUTHORIZATIONS AND REIMBURSEMENTS~~

3 SEC. 501. (a) In order to provide for the construction,
4 operation, and maintenance of the Animas-La Plata Fed-
5 eral reclamation project, Colorado-New Mexico; the Dolores.
6 Dallas Creek, West Divide, and San Miguel Federal recla-
7 mation projects, Colorado, as participating projects under
8 the Colorado River Storage Project Act (70 Stat. 105; 43
9 U.S.C. 620), and to provide for the completion of planning
10 reports on other participating projects, subsection (2) of
11 section 1 of said Act is hereby further amended by deleting
12 the words "Pine River extension", and inserting in lieu
13 thereof the words "Animas-La Plata, Dolores, Dallas Creek,
14 West Divide, San Miguel". Section 2 of said Act is hereby
15 further amended by deleting the words "Parshall, Trouble-
16 some, Rabbit Ear, San Miguel, West Divide, Tomichi Creek,
17 East River, Ohio Creek, Dallas Creek, Dolores, Fruit
18 Growers extension, Animas-La Plata", and inserting after
19 the words "Yellow Jacket" the words "Basalt, Middle Park
20 (including the Troublesome, Rabbit Ear, and Azure units),
21 Upper Gunnison (including the East River, Ohio Creek, and
22 Tomichi Creek units), Lower Yampa (including the Juniper
23 and Great Northern units), Upper Yampa (including the

1 Hayden Mesa, Wessels, and Toponas units)", and by insert-
2 ing after the word "Sublette" the words "(including the
3 Kendall Reservoir on Green River and a diversion of water
4 from the Green River to the North Platte River Basin in
5 Wyoming), Uintah unit and Ute Indian unit of the Central
6 Utah, San Juan County (Utah), Price River, Grand
7 County (Utah), Ute Indian unit extension of the Central
8 Utah, Gray Canyon, and Juniper (Utah)". The amount
9 which section 12 of said Act authorizes to be appropriated
10 is hereby further increased by the sum of \$360,000,000 plus
11 or minus such amounts, if any, as may be required, by
12 reason of changes in construction costs as indicated by engi-
13 neering cost indexes applicable to the type of construction
14 involved. This additional sum shall be available solely for
15 the construction of the projects herein authorized.

16 (b) The Animas-La Plata Federal reclamation project
17 shall be constructed and operated in substantial accordance
18 with the engineering plans set out in the report of the Secre-
19 tary transmitted to the Congress on May 4, 1966, and print-
20 ed as House Document 436, Eighty-ninth Congress: *Pro-*
21 *vided*, That the project construction of the Animas-La Plata
22 Federal reclamation project shall not be undertaken until and
23 unless the States of Colorado and New Mexico shall have
24 ratified the following compact to which the consent of Con-
25 gress is hereby given:

1 ~~“ANIMAS LA PLATA PROJECT COMPACT~~

2 ~~“The State of Colorado and the State of New Mexico,~~
3 ~~in order to implement the operation of the Animas-La Plata~~
4 ~~Federal Reclamation Project, Colorado-New Mexico, a pro-~~
5 ~~posed participating project under the Colorado River Stor-~~
6 ~~age Project Act (70 Stat. 105), and being moved by con-~~
7 ~~siderations of interstate comity, have resolved to conclude a~~
8 ~~compact for these purposes and have agreed upon the follow-~~
9 ~~ing articles:~~

10 ~~“ARTICLE I~~

11 ~~“A. The right to store and divert water in Colorado~~
12 ~~and New Mexico from the La Plata and Animas River~~
13 ~~systems, including return flow to the La Plata River from~~
14 ~~Animas River diversions, for uses in New Mexico under the~~
15 ~~Animas-La Plata Federal Reclamation Project shall be valid~~
16 ~~and of equal priority with those rights granted by decree~~
17 ~~of the Colorado state courts for the uses of water in Colorado~~
18 ~~for that project, providing such uses in New Mexico are~~
19 ~~within the allocation of water made to that state by articles~~
20 ~~III and XIV of the Upper Colorado River Basin Compact~~
21 ~~(63 Stat. 31).~~

22 ~~“B. The restrictions of the last sentence of Section (a)~~
23 ~~of Article IX of the Upper Colorado River Basin Compact~~
24 ~~shall not be construed to vitiate paragraph A of this article.~~

1 "ARTICLE II

2 "This Compact shall become binding and obligatory
3 when it shall have been ratified by the legislatures of each
4 of the signatory States."

5 (c) The Secretary shall, for the Animas-La Plata,
6 Dolores, Dallas Creek, San Miguel, West Divide, and Seed-
7 skadee participating projects of the Colorado River storage
8 project, establish the nonexcess irrigable acreage for which
9 any single ownership may receive project water at one hun-
10 dred and sixty acres of class 1 land or the equivalent
11 thereof, as determined by the Secretary, in other land classes.

12 (d) In the diversion and storage of water for any project
13 or any parts thereof constructed under the authority of this
14 Act or the Colorado River Storage Project Act within and
15 for the benefit of the State of Colorado only, the Secretary
16 is directed to comply with the constitution and statutes of the
17 State of Colorado relating to priority of appropriation; with
18 State and Federal court decrees entered pursuant thereto;
19 and with operating principles, if any, adopted by the Secre-
20 tary and approved by the State of Colorado.

21 (e) The words "any western slope appropriations"
22 contained in paragraph (i) of that section of Senate Doc-
23 ument Numbered 80, Seventy-fifth Congress, first session,
24 entitled "Manner of Operation of Project Facilities and Aux-
25 iliary Features," shall mean and refer to the appropriation

1 heretofore made for the storage of water in Green Mountain
2 Reservoir, a unit of the Colorado-Big Thompson Federal
3 reclamation project, Colorado; and the Secretary is directed
4 to act in accordance with such meaning and reference. It is
5 the sense of Congress that this directive defines and observes
6 the purpose of said paragraph (i), and does not in any
7 way affect or alter any rights or obligations arising under
8 said Senate Document Numbered 80 or under the laws of
9 the State of Colorado.

10 SEC. 502. The Upper Colorado River Basin fund es-
11 tablished under section 5 of the Act of April 11, 1956 (70
12 Stat. 107), shall be reimbursed from the Colorado River
13 development fund established by section 2 of the Boulder
14 Canyon Project Adjustment Act (54 Stat. 755), for all
15 expenditures heretofore or hereafter made from the Upper
16 Colorado River Basin fund to meet deficiencies in generation
17 at Hoover Dam during the filling period of reservoirs of
18 storage units of the Colorado River storage project pursuant
19 to the criteria for the filling of Glen Canyon Reservoir (27
20 Fed. Reg. 6851, July 19, 1962). For this purpose \$500,-
21 000 for each year of operation of Hoover Dam and power-
22 plant, commencing with the enactment of this Act, shall be
23 transferred from the Colorado River development fund to
24 the Upper Colorado River Basin fund, in lieu of applica-

tion of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin fund from the Lower Colorado River Basin development fund, as provided in paragraph (d) of section 403.

~~TITLE VI—GENERAL PROVISIONS: DEFINI-~~
~~TIONS: CONDITIONS~~

SEC. 601. (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994), the decree entered by the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774) or the Colorado River Storage Project Act (70 Stat. 105).

(b) The Secretary is directed to—

(1) administer his responsibilities under this Act in such manner that he, his permittees, licensees, and

1 contractees shall in no way encroach upon, alter, or
2 affect the Colorado River Compact apportionment of
3 waters to the upper and lower basins.

4 ~~(2)~~ make reports as to the annual consumptive
5 uses and losses of water from the Colorado River system
6 after each successive five-year period, beginning with
7 the five-year period starting on October 1, 1965. Such
8 reports shall be prepared in consultation with the States
9 of the lower basin individually and with the Upper
10 Colorado River Commission, and shall be transmitted to
11 the President, the Congress, and to the Governors of
12 each State signatory to the Colorado River Compact.

13 ~~(3)~~ condition all contracts for the delivery of water
14 originating in the drainage basin of the Colorado River
15 system upon the availability of water under the Colorado
16 River Compact.

17 ~~(c)~~ All Federal officers and agencies are directed to
18 comply with the applicable provisions of this Act, and of
19 the laws, treaty, compacts, and decree referred to in sub-
20 section ~~(a)~~ of this section, in the storage and release of
21 water from all reservoirs and in the operation and mainte-
22 nance of all facilities in the Colorado River system under
23 the jurisdiction and supervision of the Secretary, and in
24 the operation and maintenance of all works which may be
25 authorized hereafter for construction for the importation of

1 water into the Colorado River system. In the event of
2 failure of any such officer or agency to so comply, any
3 affected State may maintain an action to enforce the provi-
4 sions of this section in the Supreme Court of the United
5 States and consent is given to the joinder of the United
6 States as a party in such suit or suits, as a defendant or
7 otherwise.

8 (d) Nothing in this Act shall be construed to expand or
9 diminish either Federal or State jurisdiction, responsibility or
10 rights in the field of water resources planning, development,
11 or control; nor to displace, supersede, limit or modify any
12 interstate compact or the jurisdiction or responsibility of any
13 legally established joint or common agency of two or more
14 States, or of two or more States and the Federal Govern-
15 ment; nor to limit the authority of Congress to authorize and
16 fund projects.

17 SEC. 602. (a) In order to fully comply with and carry
18 out the provisions of the Colorado River Compact, the Upper
19 Colorado River Basin Compact and the Mexican Water
20 Treaty, the Secretary shall propose criteria for the coordi-
21 nated long-range operation of the reservoirs constructed and
22 operated under the authority of this Act, the Colorado River
23 Storage Project Act, the Boulder Canyon Project Act and
24 the Boulder Canyon Project Adjustment Act. To effect in
25 part the purposes expressed in this paragraph, the criteria

shall make provision for the storage of water in storage units of the Colorado River Storage Project and releases of water from Lake Powell in the following listed order of priority:

(1) Releases to supply one-half the deficiency described in article III(c) of the Colorado River Compact, if any such deficiency exists and is chargeable to the States of the upper division, but in any event such releases, if any, shall terminate when the President issues the proclamation specified in section 305(b) of this Act.

(2) Releases to comply with article III(d) of the Colorado River Compact, less such quantities of water delivered into the Colorado River below Lee Ferry to the credit of the States of the upper division from sources outside the natural drainage area of the Colorado River system.

(3) Storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three lower division States and taking into consideration all relevant factors (including, but not limited to, historic stream flows, the most critical period of record, and probabilities of water supply), shall find to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the

1 Colorado River Compact: *Provided*, That water not so re-
2 quired to be stored shall be released from Lake Powell: (i)
3 to the extent it can be reasonably applied in the States of the
4 lower division to the uses specified in article III(e) of the
5 Colorado River Compact, but no such releases shall be made
6 when the active storage in Lake Powell is less than the active
7 storage in Lake Mead; (ii) to maintain, as nearly as prac-
8 ticable, active storage in Lake Mead equal to the active stor-
9 age in Lake Powell, and (iii) to avoid anticipated spills from
10 Lake Powell.

11 (b) Not later than July 1, 1968, the criteria proposed
12 in accordance with the foregoing subsection (a) of this sec-
13 tion shall be submitted to the governors of the seven Colo-
14 rado River Basin States and to such other parties and agen-
15 cies as the Secretary may deem appropriate for their review
16 and comment. After receipt of comments on the proposed
17 criteria, but not later than January 1, 1969, the Secretary
18 shall adopt appropriate criteria in accordance with this sec-
19 tion and publish the same in the Federal Register. Begin-
20 ning January 1, 1970, and yearly thereafter, the Secretary
21 shall transmit to the Congress and to the governors of the
22 Colorado River Basin States a report describing the actual
23 operation under the adopted criteria for the preceding com-
24 pact water year and the projected operation for the current
25 year. As a result of actual operating experience or unfore-

1 seen circumstances, the Secretary may thereafter modify the
2 criteria to better achieve the purposes specified in subsection
3 (a) of this section, but only after correspondence with the
4 Governors of the seven Colorado River Basin States and ap-
5 propriate consultation with such state representatives as each
6 governor may designate.

7 (c) Section 7 of the Colorado River Storage Project
8 Act shall be administered in accordance with the foregoing
9 criteria.

10 SEC. 603. (a) Rights of the upper basin to the con-
11 sumptive use of water apportioned to that basin from the
12 Colorado River system by the Colorado River Compact shall
13 not be reduced or prejudiced by any use of such water in
14 the lower basin.

15 (b) Nothing in this Act shall be construed so as to
16 impair, conflict with or otherwise change the duties and
17 powers of the Upper Colorado River Commission.

18 SEC. 604. Except as otherwise provided in this Act, in
19 constructing, operating, and maintaining the units of the
20 project herein and hereafter authorized, the Secretary shall
21 be governed by the Federal reclamation laws (Act of
22 June 17, 1902; 32 Stat. 388 and Acts amendatory thereof
23 or supplementary thereto) to which laws this Act shall be
24 deemed a supplement.

25 SEC. 605. (a) All terms used in this Act which are

1 defined in the Colorado River Compact shall have the mean-
 2 ings there defined.

3 ~~(b)~~ "Main stream" means the main stream of the Colo-
 4 rado River downstream from Lee Ferry within the United
 5 States, including the reservoirs thereon.

6 ~~(c)~~ "User" or "water user" in relation to main stream
 7 water in the lower basin means the United States, or any
 8 person or legal entity, entitled under the decree of the
 9 Supreme Court of the United States in Arizona against
 10 California, and others (376 U.S. 340), to use main stream
 11 water when available thereunder.

12 ~~(d)~~ "Active storage" means that amount of water in
 13 reservoir storage, exclusive of bank storage, which can be
 14 released through the existing reservoir outlet works.

15 ~~(e)~~ "Colorado River Basin States" means the States
 16 of Arizona, California, Colorado, Nevada, New Mexico,
 17 Utah, and Wyoming.

18 *TITLE I—COLORADO RIVER BASIN PROJECT:*
 19 *OBJECTIVES*

20 *SEC. 101. That this Act may be cited as the "Colorado*
 21 *River Basin Project Act".*

22 *SEC. 102. (a) It is the object of this Act to provide a*
 23 *program for the further comprehensive development of the*
 24 *water resources of the Colorado River Basin and for the pro-*
 25 *vision of additional and adequate water supplies for use in*

1 *the upper as well as in the lower Colorado River Basin. This*
2 *program is declared to be for the purposes, among others, of*
3 *regulating the flow of the Colorado River; controlling floods;*
4 *improving navigation; providing for the storage and delivery*
5 *of the waters of the Colorado River for reclamation of lands,*
6 *including supplemental water supplies, and for municipal, in-*
7 *dustrial, and other beneficial purposes; improving water*
8 *quality; providing for basic public outdoor recreation facili-*
9 *ties; improving conditions for fish and wildlife, and the gen-*
10 *eration and sale of electrical power as an incident of the fore-*
11 *going purposes.*

12 *(b) It is the policy of the Congress that the Secretary*
13 *of the Interior (hereinafter referred to as the "Secretary")*
14 *shall continue to develop, after consultation with affected*
15 *States and appropriate Federal agencies, a regional water*
16 *plan, consistent with the provisions of this Act and with*
17 *future authorizations, to serve as the framework under which*
18 *projects in the Colorado River Basin may be coordinated and*
19 *constructed with proper timing to the end that an adequate*
20 *supply of water may be made available for such projects,*
21 *whether heretofore, herein, or hereafter authorized.*

22 **TITLE II—INVESTIGATIONS AND PLANNING**

23 *SEC. 201. (a) The Water Resources Council, acting in*
24 *accordance with the procedure prescribed in section 103 of*

1 *the Water Resources Planning Act (79 Stat. 244), shall*
2 *within one year following the effective date of this Act*
3 *establish principles, standards, and procedures for the pro-*
4 *gram of investigations and submittal of plans and reports*
5 *authorized by this title. The Secretary, in conformity with*
6 *the principles, standards, and procedures so established, is*
7 *authorized and directed to—*

8 (1) *prepare estimates of the long-range water sup-*
9 *ply available for consumptive use in the Colorado River*
10 *Basin, of current water requirements therein, and of*
11 *the rate of growth of water requirements therein to at*
12 *least the year 2030;*

13 (2) *investigate and recommend sources and means*
14 *of supplying water to meet the current and anticipated*
15 *water requirements of the Colorado River Basin, either*
16 *directly or by exchange, including reductions in losses,*
17 *importations from sources outside the natural drainage*
18 *basin of the Colorado River system, desalination, weather*
19 *modification, and other means: Provided, That the Secre-*
20 *tary shall not, under the authority of this clause or any-*
21 *thing in this Act contained, make any recommendation*
22 *for importing water into the Colorado River system from*
23 *other river basins without the approval of those States*
24 *which will be affected by such exportation, said approval*
25 *to be obtained in a manner consistent with the procedure*

1 *and criteria established by section 1 of the Flood Control*
2 *Act of 1944 (58 Stat. 887);*

3 (3) *undertake investigations, in cooperation with*
4 *other concerned agencies, of means for maintaining an*
5 *adequate water quality throughout the Colorado River*
6 *Basin;*

7 (4) *investigate means of providing for prudent*
8 *water conservation practices to permit maximum bene-*
9 *ficial utilization of available water supplies in the Colo-*
10 *rado River Basin;*

11 (5) *investigate and prepare estimates of the long-*
12 *range water supply in States and areas from which water*
13 *could be imported into the Colorado River system,*
14 *together with estimates and plans to satisfy the probable*
15 *ultimate requirements for water within such States and*
16 *areas of origin for all purposes, including but not limited*
17 *to consumptive use, navigation, river regulation, power,*
18 *enhancement of fishery resources, pollution control, and*
19 *disposal of wastes to the ocean, and estimates of the*
20 *quantities of water, if any, that will be available in ex-*
21 *cess of such requirements.*

22 (b) *The Secretary is authorized and directed to prepare*
23 *reconnaissance reports covering the matters set out in subsec-*
24 *tion (a) of this section, and such reports shall be submitted*
25 *to the President and to the Congress not later than June 30,*

1 1973, and, as revised and updated, every five years there-
2 after. For the purpose of providing for the repayment of the
3 reimbursable costs of any projects covered by such reports,
4 the Secretary shall take into account such assistance as may
5 be available to the States of the Upper Division from the
6 Upper Colorado River Basin Fund (70 Stat. 107), and to
7 the States of the Lower Division from the development fund
8 established by section 403 of this Act.

9 (c) On the basis of the investigations and studies per-
10 formed pursuant to this section, and subject to the provisions
11 of subsection (a)(2) and section 203 hereof, the Secretary
12 shall prepare a feasibility report on a plan which shows the
13 most economical means of augmenting the water supply
14 available in the Colorado River below Lee Ferry by two and
15 one-half million acre-feet annually. The recommended plan
16 may include the construction of works and facilities by such
17 successive stages as are estimated to be necessary to alleviate
18 critical water shortages as they occur. The report prepared
19 pursuant to this subsection, along with comments of the
20 affected States and appropriate Federal agencies thereon,
21 shall be submitted to the Congress on or before January 1,
22 1975.

23 SEC. 202. The Congress declares that the satisfaction of
24 the requirements of the Mexican Water Treaty from the
25 Colorado River constitutes a national obligation which shall

1 be the first obligation of any water augmentation project
2 planned pursuant to section 201 of this Act and authorized
3 by the Congress. Accordingly, the States of the Upper Divi-
4 sion (Colorado, New Mexico, Utah, and Wyoming) and the
5 States of the Lower Division (Arizona, California, and Ne-
6 vada) shall be relieved from all obligations which may have
7 been imposed upon them by article III(c) of the Colorado
8 River Compact so long as the Secretary shall determine and
9 proclaim that means are available and in operation which
10 augment the water supply of the Colorado River system in
11 such quantity as to satisfy the requirements of the Mexican
12 Water Treaty together with any losses of water associated
13 with the performance of that treaty.

14 SEC. 203. (a) In the event that the Secretary shall,
15 pursuant to section 201(a)(2) and 201(c), plan works to
16 import water into the Colorado River system from sources
17 outside the natural drainage areas of the system, he shall make
18 provision for adequate and equitable protection of the inter-
19 ests of the States and areas of origin, including assistance
20 from funds specified in section 201(b) of this Act, to the
21 end that water supplies may be available for use in such
22 States and areas of origin adequate to satisfy their ultimate
23 requirements at prices to users not adversely affected by the
24 exportation of water to the Colorado River system.

25 (b) All requirements, present or future, for water

1 *within any State lying wholly or in part within the drainage*
2 *area of any river basin from which water is exported by*
3 *works planned pursuant to this Act shall have a priority*
4 *of right in perpetuity to the use of the waters of that river*
5 *basin, for all purposes, as against the uses of the water*
6 *delivered by means of such exportation works, unless other-*
7 *wise provided by interstate agreement.*

8 *SEC. 204. The Secretary shall submit annually to the*
9 *President and the Congress reports covering progress on*
10 *the investigations and reports authorized by this title.*

11 *SEC. 205. There are hereby authorized to be appro-*
12 *priated such sums as are required to carry out the purposes*
13 *of this title.*

14 *TITLE III—AUTHORIZED UNITS: PROTEC-*
15 *TION OF EXISTING USES*

16 *SEC. 301. (a) For the purposes of furnishing irrigation*
17 *water and municipal water supplies to the water-deficient*
18 *areas of Arizona and western New Mexico through direct*
19 *diversion or exchange of water, control of floods, conserva-*
20 *tion and development of fish and wildlife resources, enhance-*
21 *ment of recreation opportunities, and for other purposes, the*
22 *Secretary shall construct, operate, and maintain the Central*
23 *Arizona Project, consisting of the following principal works:*
24 *(1) a system of main conduits and canals, including a*
25 *main canal and pumping plants (Granite Reef aqueduct and*

1 pumping plants), for diverting and carrying water from
2 Lake Havasu to Orme Dam or suitable alternative, which
3 system shall have a capacity of not to exceed two thousand
4 five hundred cubic feet per second; (2) Orme Dam and
5 Reservoir and power-pumping plant or suitable alternative;
6 (3) Buttes Dam and Reservoir, which shall be so operated
7 as not to prejudice the rights of any user in and to the waters
8 of the Gila River as those rights are set forth in the decree
9 entered by the United States District Court for the District
10 of Arizona on June 29, 1935, in United States against Gila
11 Valley Irrigation District and others (Globe Equity Num-
12 bered 59); (4) Hooker Dam and Reservoir or suitable
13 alternative, which shall be constructed in such a manner as
14 to give effect to the provisions of subsection (f) of section 304;
15 (5) Charleston Dam and Reservoir; (6) Tucson aqueducts
16 and pumping plants; (7) Salt-Gila aqueduct; (8) related
17 canals, regulating facilities, hydroelectric powerplants, and
18 electrical transmission facilities required for the operation of
19 said principal works; (9) related water distribution and
20 drainage works; and (10) appurtenant works.

21 (b) Article II(B)(3) of the decree of the Supreme
22 Court of the United States in Arizona against California
23 (376 U.S. 340) shall be so administered that in any year
24 in which, as determined by the Secretary, there is insufficient
25 main stream Colorado River water available for release to

1 *satisfy annual consumptive use of seven million five hundred*
2 *thousand acre-feet in Arizona, California, and Nevada, di-*
3 *versions from the main stream for the Central Arizona Project*
4 *shall be so limited as to assure the availability of water in*
5 *quantities sufficient to provide for the aggregate annual con-*
6 *sumptive use by holders of present perfected rights, by other*
7 *users in the State of California served under existing contracts*
8 *with the United States by diversion works heretofore con-*
9 *structed, and by other existing Federal reservations in that*
10 *State, of four million four hundred thousand acre-feet of main-*
11 *stream water, and by users of the same character in Arizona*
12 *and Nevada. Water users in the State of Nevada shall not be*
13 *required to bear shortages in any proportion greater than*
14 *would have been imposed in the absence of this subsection*
15 *301(b). This subsection shall not affect the relative priori-*
16 *ties, among themselves, of water users in Arizona, Nevada,*
17 *and California which are senior to diversions for the Central*
18 *Arizona Project, or amend any provisions of said decree.*

19 (c) *The limitation stated in subsection (b) of this section*
20 *shall not apply so long as the Secretary shall determine and*
21 *proclaim that means are available and in operation which*
22 *augment the water supply of the Colorado River system in*
23 *such quantity as to make sufficient mainstream water avail-*
24 *able for release to satisfy annual consumptive use of seven*

1 million five hundred thousand acre-feet in Arizona, Cali-
2 fornia, and Nevada.

3 SEC. 302. (a) The Secretary shall designate the lands of
4 the Salt River Pima-Maricopa Indian Community, Arizona,
5 and the Fort McDowell-Apache Indian Community, Arizona,
6 or interests therein, and any allotted lands or interests therein
7 within said communities which he determines are necessary
8 for use and occupancy by the United States for the construc-
9 tion, operation, and maintenance of Orme Dam and Reser-
10 voir, or alternative. The Secretary shall offer to pay the fair
11 market value of the lands and interests designated, inclusive
12 of improvements. In addition, the Secretary shall offer to pay
13 toward the cost of relocating or replacing such improvements
14 not to exceed \$500,000 in the aggregate, and the amount
15 offered for the actual relocation or replacement of a residence
16 shall not exceed the difference between the fair market value
17 of the residence and \$8,000. Each community and each
18 affected allottee shall have six months in which to accept or
19 reject the Secretary's offer. If the Secretary's offer is rejected,
20 the United States may proceed to acquire the property inter-
21 ests involved through eminent domain proceedings in the
22 United States District Court for the District of Arizona
23 under 40 U.S.C., sections 257 and 258a. Upon acceptance in
24 writing of the Secretary's offer, or upon the filing of a dec-

1 laration of taking in eminent domain proceedings, title to
2 the lands or interests involved, and the right to possession
3 thereof, shall vest in the United States. Upon a determination
4 by the Secretary that all or any part of such lands or
5 interests are no longer necessary for the purpose for
6 which acquired, title to such lands or interests shall be restored
7 to the appropriate community.

8 (b) Title to any land or easement acquired pursuant to
9 this section shall be subject to the right of the former owner
10 to use or lease the land for purposes not inconsistent with
11 the construction, operation, and maintenance of the project,
12 as determined by, and under terms and conditions prescribed
13 by, the Secretary. Such right shall include the right to
14 extract and dispose of minerals. The determination of fair
15 market value under subsection (a) shall reflect the right to
16 extract and dispose of minerals but not the other uses per-
17 mitted by this subsection.

18 (c) In view of the fact that a substantial portion of the
19 lands of the Fort McDowell Mohave-Apache Indian Com-
20 munity will be required for Orme Dam and Reservoir, or
21 alternative, the Secretary shall, in addition to the compensa-
22 tion provided for in subsection (a) of this section, designate
23, and add to the Fort McDowell Indian Reservation twenty-five
24 hundred acres of suitable lands in the vicinity of the reserva-
25 tion that are under the jurisdiction of the Department of

1 the Interior in township 4 north, range 7 east; township 5
2 north, range 7 east; and township 3 north, range 7 east,
3 Gila and Salt River base meridian, Arizona. Title to lands
4 so added to the reservation shall be held by the United States
5 in trust for the Fort McDowell Mohave-Apache Indian
6 Community.

7 (d) Each community may, pursuant to an agreement
8 with the Secretary, develop and operate recreational facilities
9 along the part of the shoreline of the Orme Reservoir located
10 on or adjacent to its reservation, including land added to the
11 Fort McDowell Reservation as provided in subsection (b) of
12 this section, subject to rules and regulations prescribed by the
13 Secretary governing the recreation development of the reser-
14 voir. Recreation development of the entire reservoir and
15 federally owned lands under the jurisdiction of the Secretary
16 adjacent thereto shall be in accordance with a master recrea-
17 tion plan approved by the Secretary. Each community and
18 the members thereof shall have non-exclusive personal rights
19 to hunt and fish on the reservoir, to the same extent they are
20 now authorized to hunt and fish, without charge, but shall
21 have no right to exclude others from the reservoir except by
22 control of access through their reservations, or any right to
23 require payments by the public except for the use of commu-
24 nity lands or facilities.

25 (e) All funds paid pursuant to this section, and any per

1 *capita distribution thereof, shall be exempt from all forms of*
2 *State and Federal income taxes.*

3 *SEC. 303. (a) The Secretary is authorized and directed*
4 *to continue to a conclusion appropriate engineering and eco-*
5 *nomie studies and to recommend the most feasible plan for*
6 *the construction and operation of hydroelectric generating*
7 *and transmission facilities, the purchase of electrical energy,*
8 *the purchase of entitlement to electrical plant capacity, or*
9 *any combination thereof, including participation, operation,*
10 *or construction by non-Federal entities, for the purpose of*
11 *supplying the power requirements of the Central Arizona*
12 *Project and augmenting the Lower Colorado River Basin*
13 *Fund: Provided, That nothing in this section or in this Act*
14 *contained shall be construed to authorize the study or con-*
15 *struction of any dams on the main stream of the Colorado*
16 *River between Hoover Dam and Glen Canyon Dam.*

17 *(b) If included as a part of the recommended plan, the*
18 *Secretary may enter into an agreement with non-Federal in-*
19 *terests proposing to construct a thermal generating power-*
20 *plant whereby the United States shall acquire the right to*
21 *such portion of the capacity of such plant, including delivery*
22 *of power and energy over appurtenant transmission facilities*
23 *to mutually agreed upon delivery points, as he determines is*
24 *required in connection with the operation of the Central Ari-*
25 *zona Project. When not required for the Central Arizona*

1 *Project, the power and energy acquired by such agreement*
2 *may be disposed of intermittently by the Secretary for other*
3 *purposes at such prices as he may determine, including its*
4 *marketing in conjunction with the sale of power and energy*
5 *from Federal powerplants in the Colorado River system so as*
6 *to produce the greatest practicable amount of power and*
7 *energy that can be sold at firm power and energy rates. The*
8 *agreement shall provide, among other things, that—*

9 *(1) the United States shall pay not more than that*
10 *portion of the total construction cost, exclusive of interest*
11 *during construction, of the powerplant, and of any*
12 *switchyards and transmission facilities serving the United*
13 *States, as is represented by the ratios of the respective*
14 *capacities to be provided for the United States therein*
15 *to the total capacities of such facilities. The Secretary*
16 *shall make the Federal portion of such costs available to*
17 *the non-Federal interests during the construction period,*
18 *including the period of preparation of designs and spec-*
19 *ifications, in such installments as will facilitate a timely*
20 *construction schedule, but no funds other than for pre-*
21 *construction activities shall be made available by the*
22 *Secretary until he determines that adequate contracts*
23 *have been entered into between all the affected parties*
24 *covering land, water, fuel supplies, power (its availa-*
25 *bility and use), rights-of-way, transmission facilities and*

1 *all other necessary matters for the thermal generating*
2 *powerplant;*

3 *(2) annual operation and maintenance costs, in-*
4 *cluding provisions for depreciation (except as to depre-*
5 *ciation on the pro rata share of the construction cost*
6 *borne by the United States in accordance with the fore-*
7 *going clause (1)), shall be apportioned between the*
8 *United States and the non-Federal interests on an*
9 *equitable basis taking into account the ratios determined*
10 *in accordance with the foregoing clause (1);*

11 *(3) the United States shall be given appropriate*
12 *credit for any interests in Federal lands administered by*
13 *the Department of the Interior that are made available*
14 *for the powerplant and appurtenances;*

15 *(4) costs to be borne by the United States under*
16 *clauses (1) and (2) shall not include (a) interest and*
17 *interest during construction, (b) financing charges, (c)*
18 *franchise fees, and (d) such other costs as shall be*
19 *specified in the agreement.*

20 *(c) No later than one year from the effective date of*
21 *this Act, the Secretary shall submit his recommended plan*
22 *to the Congress. Except as authorized by subsection (b) of*
23 *this section, such plan shall not become effective until ap-*
24 *proved by the Congress.*

25 *(d) If the thermal generating plant referred to in sub-*

1 section (b) of this section is located in Arizona, and if it is
2 served by water diverted from the drainage area of the
3 Colorado River system above Lee Ferry, other provisions of
4 existing law to the contrary notwithstanding, such consump-
5 tive use of water shall be a part of the fifty thousand acre-feet
6 per annum apportioned to the State of Arizona by article III
7 (a) of the Upper Colorado River Basin Compact (63
8 Stat. 31).

9 SEC. 304. (a) Unless and until otherwise provided by
10 Congress, water from the Central Arizona Project shall not
11 be made available directly or indirectly for the irrigation
12 of lands not having a recent irrigation history as determined
13 by the Secretary, except in the case of Indian lands, national
14 wildlife refuges and, with the approval of the Secretary,
15 State-administered wildlife management areas.

16 (b)(1) Irrigation and municipal and industrial water
17 supply under the Central Arizona Project within the State
18 of Arizona may, in the event the Secretary determines that
19 it is necessary to effect repayment, be pursuant to master
20 contracts with organizations which have power to levy assess-
21 ments against all taxable real property within their bound-
22 aries. The terms and conditions of contracts or other arrange-
23 ments whereby each such organization makes water from
24 the Central Arizona Project available to users within its
25 boundaries shall be subject to the Secretary's approval, and

1 the United States shall, if the Secretary determines such
2 action is desirable to facilitate carrying out the provisions
3 of this Act, have the right to require that it be a party to
4 such contracts or that contracts subsidiary to the master
5 contracts be entered into between the United States and any
6 user. The provisions of this clause (1) shall not apply to
7 the supplying of water to an Indian tribe for use within
8 the boundaries of an Indian reservation.

9 (2) Any obligation assumed pursuant to section 9(d)
10 of the Reclamation Project Act of 1939 (43 U.S.C. 485h
11 (d)) with respect to any project contract unit or irrigation
12 block shall be repaid over a basic period of not more than
13 fifty years; any water service provided pursuant to section
14 9(e) of the Reclamation Project Act of 1939 (43 U.S.C.
15 485h(e)) may be on the basis of delivery of water for a
16 period of fifty years and for the delivery of such water at
17 an identical price per acre-foot for water of the same class
18 at the several points of delivery from the main canals and
19 conduits and from such other points of delivery as the Sec-
20 retary may designate; and long-term contracts relating to
21 irrigation water supply shall provide that water made avail-
22 able thereunder may be made available by the Secretary for
23 municipal or industrial purposes if and to the extent that
24 such water is not required by the contractor for irrigation
25 purposes.

1 (3) *Contracts relating to municipal and industrial water*
2 *supply under the Central Arizona Project may be made with-*
3 *out regard to the limitations of the last sentence of section*
4 *9(c) of the Reclamation Project Act of 1939 (43 U.S.C.*
5 *485h(c)); may provide for the delivery of such water at*
6 *an identical price per acre-foot for water of the same class*
7 *at the several points of delivery from the main canals and*
8 *conduits; and may provide for repayment over a period of*
9 *fifty years if made pursuant to clause (1) of said section*
10 *and for the delivery of water over a period of fifty years if*
11 *made pursuant to clause (2) thereof.*

12 (c) *Each contract under which water is provided under*
13 *the Central Arizona Project shall require that (1) there be in*
14 *effect measures, adequate in the judgment of the Secretary,*
15 *to control expansion of irrigation from aquifers affected by*
16 *irrigation in the contract service area; (2) the canals and*
17 *distribution systems through which water is conveyed after*
18 *its delivery by the United States to the contractors shall be*
19 *provided and maintained with linings adequate in his judg-*
20 *ment to prevent excessive conveyance losses; and (3)*
21 *neither the contractor nor the Secretary shall pump or permit*
22 *others to pump ground water from within the exterior bound-*
23 *aries of the service area of a contractor receiving water from*
24 *the Central Arizona Project for any use outside said contrac-*

1 tor's service area unless the Secretary and such contractor
2 shall agree, or shall have previously agreed, that a surplus
3 of ground water exists and that drainage is or was required.
4 Such contracts shall be subordinate at all times to the satis-
5 faction of all existing contracts between the Secretary and
6 users in Arizona heretofore made pursuant to the Boulder
7 Canyon Project Act (45 Stat. 1057).

8 (d) The Secretary may require in any contract under
9 which water is provided from the Central Arizona Project
10 that the Contractor agree to accept mainstream water in
11 exchange for or in replacement of existing supplies from
12 sources other than the main stream. The Secretary shall so
13 require in the case of users in Arizona who also use water
14 from the Gila River system to the extent necessary to make
15 available to users of water from the Gila River system in
16 New Mexico additional quantities of water as provided in
17 and under the conditions specified in subsection (f) of this
18 section: Provided, That such exchanges and replacements
19 shall be accomplished without economic injury or cost to
20 such Arizona contractors.

21 (e) In times of shortage or reduction of mainstream
22 Colorado River water for the Central Arizona Project, as
23 determined by the Secretary, users which have yielded water
24 from other sources in exchange for main stream water sup-
25 plied by that project shall have a first priority to receive

1 mainstream water, as against other users supplied by that
2 project which have not so yielded water from other sources,
3 but only in quantities adequate to replace the water so
4 yielded.

5 (f) (1) In the operation of the Central Arizona Project,
6 the Secretary shall offer to contract with water users in New
7 Mexico for water from the Gila River, its tributaries and
8 underground water sources in amounts that will permit con-
9 sumptive uses of water in New Mexico of not to exceed an annual
10 average in any period of ten consecutive years of eighteen
11 thousand acre-feet, including reservoir evaporation, over and
12 above the consumptive uses provided for by article IV of
13 the decree of the Supreme Court of the United States in Ari-
14 zona against California (376 U.S. 340). Such increased
15 consumptive uses shall not begin until, and shall continue only
16 so long as, delivery of Colorado River water to downstream
17 Gila River users in Arizona is being accomplished in accord-
18 ance with this Act, in quantities sufficient to replace any
19 diminution of their supply resulting from such diversions
20 from the Gila River, its tributaries and underground water
21 sources. In determining the amount required for this purpose
22 full consideration shall be given to any differences in the
23 quality of the waters involved.

24 (2) The Secretary shall further offer to contract with
25 water users in New Mexico for water from the Gila River,

1 *its tributaries, and underground water sources in amounts*
2 *that will permit consumptive uses of water in New Mexico*
3 *of not to exceed an annual average in any period of ten con-*
4 *secutive years of an additional thirty thousand acre-feet, in-*
5 *cluding reservoir evaporation. Such further increases in con-*
6 *sumptive use shall not begin until, and shall continue only*
7 *so long as, works capable of augmenting the water supply of*
8 *the Colorado River system have been completed and water*
9 *sufficiently in excess of two million eight hundred thousand*
10 *acre-feet per annum is available from the main stream of the*
11 *Colorado River for consumptive use in Arizona to provide*
12 *water for the exchanges herein authorized and provided. In*
13 *determining the amount required for this purpose full con-*
14 *sideration shall be given to any differences in the quality of*
15 *the waters involved.*

16 (3) *All additional consumptive uses provided for in*
17 *clauses (1) and (2) of this subsection shall be subject to all*
18 *rights in New Mexico and Arizona as established by the*
19 *decree entered by the United States District Court for the*
20 *District of Arizona on June 29, 1935, in United States*
21 *against Gila Valley Irrigation District and others (Globe*
22 *Equity Numbered 59) and to all other rights existing on the*
23 *effective date of this Act in New Mexico and Arizona to*
24 *water from the Gila River, its tributaries, and underground*
25 *water sources and shall be junior thereto and shall be made*

1 *only to the extent possible without economic injury or cost*
2 *to the holders of such rights.*

3 *SEC. 305. To the extent that the flow of the main stream*
4 *of the Colorado River is augmented in order to make suf-*
5 *ficient water available for release, as determined by the Sec-*
6 *retary pursuant to article II(b)(1) of the decree of the*
7 *Supreme Court of the United States in Arizona against Cali-*
8 *fornia (376 U.S. 340), to satisfy annual consumptive use*
9 *of two million eight hundred thousand acre-feet in Arizona,*
10 *four million four hundred thousand acre-feet in California,*
11 *and three hundred thousand acre-feet in Nevada, respec-*
12 *tively, the Secretary shall make such water available to users*
13 *of main-stream water in those States at the same costs (to*
14 *the extent that such costs can be made comparable through*
15 *the nonreimbursable allocation to the replenishment of the*
16 *deficiencies occasioned by satisfaction of the Mexican Treaty*
17 *burden as herein provided and financial assistance from the*
18 *development fund established by section 403 of this Act) and*
19 *on the same terms as would be applicable if main-stream*
20 *water were available for release in the quantities required to*
21 *supply such consumptive use.*

22 *SEC. 306. The Secretary shall undertake programs for*
23 *water salvage and ground water recovery along and adjacent*
24 *to the main stream of the Colorado River. Such programs*
25 *shall be consistent with maintenance of a reasonable degree*

1 of undisturbed habitat for fish and wildlife in the area, as
2 determined by the Secretary.

3 SEC. 307. The Dixie Project, heretofore authorized in
4 the State of Utah, is hereby reauthorized for construction at
5 the site determined feasible by the Secretary, and the Secre-
6 tary shall integrate such project into the repayment arrange-
7 ment and participation in the Lower Colorado River Basin
8 Development Fund established by title IV of this Act con-
9 sistent with the provisions of the Act: Provided, That section
10 8 of Public Law 88-565 (78 Stat. 848) is hereby amended
11 by deleting the figure "\$42,700,000" and inserting in lieu
12 thereof the figure "\$58,000,000".

13 SEC. 308. The conservation and development of the fish
14 and wildlife resources and the enhancement of recreation
15 opportunities in connection with the project works author-
16 ized pursuant to this title shall be in accordance with the
17 provisions of the Federal Water Project Recreation Act
18 (79 Stat. 213), except as provided in section 302 of this Act.

19 SEC. 309. (a) There is hereby authorized to be appro-
20 priated for construction of the Central Arizona Project, in-
21 cluding prepayment for power generation and transmission
22 facilities but exclusive of distribution and drainage facilities
23 for non-Indian lands, \$779,000,000 plus or minus such
24 amounts, if any, as may be justified by reason of ordinary
25 fluctuations in construction costs as indicated by engineering

1 *cost indices applicable to the types of construction involved*
2 *here and, in addition thereto, such sums as may be required*
3 *for operation and maintenance of the project.*

4 *(b) There is also authorized to be appropriated \$100,-*
5 *000,000 for construction of distribution and drainage facil-*
6 *ities for non-Indian lands. Notwithstanding the provisions*
7 *of section 403 of this Act, neither appropriations made pur-*
8 *suant to the authorization contained in this subsection (b)*
9 *nor revenues collected in connection with the operation of*
10 *such facilities shall be credited to the Lower Colorado River*
11 *Basin Development Fund and payments shall not be made*
12 *from that fund to the general fund of the Treasury to re-*
13 *turn any part of the costs of construction, operation, and*
14 *maintenance of such facilities.*

15 *TITLE IV—LOWER COLORADO RIVER BASIN*
16 *DEVELOPMENT FUND: ALLOCATION AND*
17 *REPAYMENT OF COSTS: CONTRACTS*

18 *SEC. 401. Upon completion of each lower basin unit of*
19 *the project herein or hereafter authorized, or separate feature*
20 *thereof, the Secretary shall allocate the total costs of con-*
21 *structing said unit or features to (1) commercial power,*
22 *(2) irrigation, (3) municipal and industrial water supply,*
23 *(4) flood control, (5), navigation, (6) water quality con-*
24 *trol, (7) recreation, (8) fish and wildlife, (9) the replen-*
25 *ishment of the depletion of Colorado River flows available*

1 for use in the United States occasioned by performance of
2 the Water Treaty of 1944 with the United Mexican States
3 (Treaty Series 994), and (10) any other purposes authorized
4 under the Federal reclamation laws. Costs of construction,
5 operation, and maintenance allocated to the replenishment of
6 the depletion of Colorado River flows available for use in the
7 United States occasioned by compliance with the Mexican
8 Water Treaty (including losses in transit, evaporation from
9 regulatory reservoirs, and regulatory losses at the Mexican
10 boundary, incurred in the transportation, storage, and delivery
11 of water in discharge of the obligations of that treaty) shall
12 be nonreimbursable. The repayment of costs allocated to
13 recreation and fish and wildlife enhancement shall be in
14 accordance with the provisions of the Federal Water Project
15 Recreation Act (79 Stat. 213): Provided, That all of the
16 separable and joint costs allocated to recreation and fish and
17 wildlife enhancement as a part of the Dixie project, Utah,
18 shall be nonreimbursable. Costs allocated to nonreimbursable
19 purposes shall be nonreturnable under the provisions of this
20 Act.

21 SEC. 402. The Secretary shall determine the repayment
22 capability of Indian lands within, under, or served by any
23 unit of the project. Construction costs allocated to irrigation
24 of Indian lands (including provision of water for incidental
25 domestic and stock water uses) and within the repayment

1 capability of such lands shall be subject to the Act of July 1,
2 1932 (47 Stat. 464), and such costs that are beyond re-
3 payment capability of such lands shall be nonreimbursable.

4 SEC. 403. (a) There is hereby established a separate
5 fund in the Treasury of the United States to be known as
6 the Lower Colorado River Basin Development Fund (here-
7 inafter called the "development fund"), which shall remain
8 available until expended as hereinafter provided.

9 (b) All appropriations made for the purpose of carry-
10 ing out the provisions of title III of this Act shall be
11 credited to the development fund as advances from the
12 general fund of the Treasury, and shall be available for
13 such purpose.

14 (c) There shall also be credited to the development
15 fund—

16 (1) All revenues collected in connection with the
17 operation of facilities authorized in title III in further-
18 ance of the purposes of this Act (except entrance, admis-
19 sion, and other recreation fees or charges and proceeds
20 received from recreation concessionaires), including rev-
21 enues which, after completion of payout of the Central
22 Arizona Project as required herein are surplus, as deter-
23 mined by the Secretary, to the operation, maintenance,
24 and replacement requirements of said project; and

25 (2) any Federal revenues from the Boulder Can-

1 yon and Parker-Davis projects which, after completion
2 of repayment requirements of the said Boulder Canyon
3 and Parker-Davis projects, are surplus, as determined
4 by the Secretary, to the operation, maintenance, and
5 replacement requirements of those projects: Provided,
6 however, That the Secretary is authorized and directed
7 to continue the in-lieu-of-tax payments to the States
8 of Arizona and Nevada provided for in section 2(c)
9 of the Boulder Canyon Project Adjustment Act so long
10 as revenues accrue from the operation of the Boulder
11 Canyon project; and

12 (3) any Federal revenues from that portion of the
13 Pacific Northwest-Pacific Southwest intertie located in
14 the States of Nevada and Arizona which, after comple-
15 tion of repayment requirements of the said part of the
16 Pacific Northwest-Pacific Southwest intertie located in
17 the States of Nevada and Arizona, are surplus, as deter-
18 mined by the Secretary, to the operation, maintenance,
19 and replacement requirements of said portion of the
20 Pacific Northwest-Pacific Southwest intertie and related
21 facilities.

22 (d) All moneys collected and credited to the develop-
23 ment fund pursuant to subsection (b) and clauses (1) and
24 (3) of subsection (c) of this section and the portion of reve-
25 nues derived from the sale of power and energy for use in

1 *Arizona pursuant to clause (2) of subsection (c) of this*
2 *section shall be available, without further appropriation for—*

3 *(1) defraying the costs of operation, maintenance,*
4 *and replacements of, and emergency expenditures for,*
5 *all facilities of the projects, within such separate limita-*
6 *tions as may be included in annual appropriation Acts;*
7 *and*

8 *(2) payments to reimburse water users in the State*
9 *of Arizona for losses sustained as a result of diminution*
10 *of the production of hydroelectric power at Coolidge*
11 *Dam, Arizona, resulting from exchanges of water be-*
12 *tween users in the States of Arizona and New Mexico*
13 *as set forth in section 304(f) of this Act.*

14 *(c) Revenues credited to the development fund shall*
15 *not be available for construction of the works comprised*
16 *within any unit of the project herein or hereafter authorized*
17 *except upon appropriation by the Congress.*

18 *(f) Moneys credited to the development fund pursuant*
19 *to subsection (b) and clauses (1) and (3) of subsection (c)*
20 *of this section and the portion of revenues derived from the*
21 *sale of power and energy for use in Arizona pursuant to*
22 *clause (2) of subsection (c) of this section in excess of the*
23 *amount necessary to meet the requirements of clauses (1),*
24 *and (2) of subsection (d) of this section shall be paid annu-*
25 *ally to the general fund of the Treasury to return—*

1 (1) the costs of each unit of the projects or separable
2 feature thereof authorized pursuant to title III of this
3 Act, which are allocated to irrigation, commercial power,
4 or municipal and industrial water supply, pursuant to
5 this Act within a period not exceeding fifty years from
6 the date of completion of each such unit or separable
7 feature, exclusive of any development period authorized
8 by law: Provided, that return of the cost, if any, required
9 by section 307 shall not be made until after the payout
10 period of the Central Arizona Project as authorized
11 herein;

12 (2) interest (including interest during construc-
13 tion) on the unamortized balance of the investment in
14 the commercial power and municipal and industrial
15 water supply features of the project at a rate deter-
16 mined by the Secretary of the Treasury in accordance
17 with the provisions of subsection (h) of this section,
18 and interest due shall be a first charge.

19 (g) All revenues credited to the development fund in
20 accordance with clause (c)(2) of this section (excluding
21 only those revenues derived from the sale of power and
22 energy for use in Arizona during the payout period of the
23 Central Arizona Project as authorized herein) and such other
24 revenues as remain in the development fund after making
25 the payments required by subsections (d) and (f) of this

1 section shall be available (1) to make payments, if any, as
2 required by sections 307 and 502 of this Act, and (2), upon
3 appropriation by the Congress, to assist in the repayment
4 of reimbursable costs incurred in connection with units here-
5 after constructed to provide for the augmentation of the
6 water supplies of the Colorado River for use below Lee
7 Ferry as may be authorized as a result of the investigations
8 and recommendations made pursuant to clause 201(a)(2)
9 and subsection 203(a) of this Act.

10 (h) The interest rate applicable to those portions of
11 the reimbursable costs of each unit of the project which are
12 properly allocated to commercial power development and
13 municipal and industrial water supply shall be determined by
14 the Secretary of the Treasury, as of the beginning of the fiscal
15 year in which the first advance is made for initiating con-
16 struction of such unit, on the basis of the computed average
17 interest rate payable by the Treasury upon its outstanding
18 marketable public obligations which are neither due nor call-
19 able for redemption for fifteen years from the date of issue.

20 (i) Business-type budgets shall be submitted to the Con-
21 gress annually for all operations financed by the develop-
22 ment fund.

23 SEC. 404. On January 1 of each year the Secretary shall
24 report to the Congress, beginning with the fiscal year ending
25 June 30, 1969, upon the status of the revenues from and the

1 cost of constructing, operating, and maintaining each lower
2 basin unit of the project for the preceding fiscal year. The
3 report of the Secretary shall be prepared to reflect accurately
4 the Federal investment allocated at that time to power, to
5 irrigation, and to other purposes, the progress of return and
6 repayment thereon, and the estimated rate of progress, year
7 by year, in accomplishing full repayment.

8 *TITLE V—UPPER COLORADO RIVER BASIN*
9 *AUTHORIZATION AND REIMBURSEMENTS*

10 *SEC. 501. (a) In order to provide for the construction,*
11 *operation, and maintenance of the Animas-La Plata Federal*
12 *reclamation project, Colorado-New Mexico; the Dolores, Dallas*
13 *Creek, West Divide, and San Miguel Federal reclamation*
14 *projects, Colorado; and the Central Utah project (Uintah*
15 *unit), Utah, as participating projects under the Colorado*
16 *River Storage Project Act (70 Stat. 105; 43 U.S.C. 620),*
17 *and to provide for the completion of planning reports on other*
18 *participating projects, clause (2) of section 1 of said Act is*
19 *hereby further amended by (i) inserting the words “and the*
20 *Uintah unit” after the word “phase” within the paren-*
21 *theses following “Central Utah”, (ii) deleting the words*
22 *“Pine River Extension” and inserting in lieu thereof the*
23 *words “Animas-La Plata, Dolores, Dallas Creek, West Di-*
24 *vide, San Miguel”, (iii) adding after the words “Smith*
25 *Fork:” the proviso “Provided, That construction of the*

1 *Uintah unit of the Central Utah project shall not be under-*
2 *taken by the Secretary until he has completed a feasibility*
3 *report on such unit and submitted such report to the Congress*
4 *along with his certification that, in his judgment, the benefits*
5 *of such unit or segment will exceed the costs and that such*
6 *unit is physically and financially feasible:’’. Section 2 of said*
7 *Act is hereby further amended by (i) deleting the words*
8 *“Parshall, Troublesome, Rabbit Ear, San Miguel, West Di-*
9 *vide, Tomichi Creek, East River, Ohio Creek, Dallas Creek,*
10 *Dolores, Fruit Growers Extension, Animas-La Plata’’, and*
11 *inserting after the words “Yellow Jacket” the words “Basalt,*
12 *Middle Park (including the Troublesome, Rabbit Ear, and*
13 *Azure units), Upper Gunnison (including the East River,*
14 *Ohio Creek, and Tomichi Creek units), Lower Yampa (in-*
15 *cluding the Juniper and Great Northern units), Upper*
16 *Yampa (including the Hayden Mesa, Wessels, and Toponas*
17 *units)’’; (ii) by inserting after the word “Sublette” the words*
18 *“(including a diversion of water from the Green River to the*
19 *North Platte River Basin in Wyoming), Ute Indian unit of*
20 *the Central Utah Project, San Juan County (Utah), Price*
21 *River, Grand County (Utah), Gray Canyon, and Juniper*
22 *(Utah)’’; and (iii) changing the period after “projects”*
23 *to a colon and adding the following proviso: “Provided,*
24 *That the planning report for the Ute Indian unit of the*
25 *Central Utah participating project shall be completed on*

1 or before December 31, 1974, to enable the United States
2 of America to meet the commitments heretofore made to the
3 Ute Indian Tribe of the Uintah and Ouray Indian Reserva-
4 tion under the agreement dated September 20, 1965 (Con-
5 tract Numbered 14-06-W-194).". The amount which sec-
6 tion 12 of said Act authorizes to be appropriated is hereby
7 further increased by the sum of \$392,000,000, plus or minus
8 such amounts, if any, as may be required, by reason
9 of changes in construction costs as indicated by engineering
10 cost indices applicable to the type of construction involved.
11 This additional sum shall be available solely for the construc-
12 tion of the Animas-La Plata, Dolores, Dallas Creek, West
13 Divide, and San Miguel projects herein authorized.

14 (b) The Secretary is directed to proceed as nearly as
15 practicable with the construction of the Animas-La Plata,
16 Dolores, Dallas Creek, West Divide, and San Miguel partici-
17 pating Federal reclamation projects concurrently with the
18 construction of the Central Arizona Project, to the end that
19 such projects shall be completed not later than the date of
20 the first delivery of water from said Central Arizona Project:
21 Provided, That an appropriate repayment contract for each
22 of said participating projects shall have been executed as
23 provided in section 4 of the Colorado River Storage Project
24 Act (70 Stat. 107) before construction shall start on that
25 particular project.

1 (c) *The Animas-La Plata Federal reclamation project*
2 *shall be constructed and operated in substantial accordance*
3 *with the engineering plans set out in the report of the Sec-*
4 *retary transmitted to the Congress on May 4, 1966, and*
5 *printed as House Document 436, Eighty-ninth Congress:*
6 *Provided, That construction of the Animas-La Plata Federal*
7 *reclamation project shall not be undertaken until and unless*
8 *the States of Colorado and New Mexico shall have ratified*
9 *the following compact to which the consent of Congress is*
10 *hereby given:*

11 “ANIMAS-LA PLATA PROJECT COMPACT

12 *“The State of Colorado and the State of New Mexico, in*
13 *order to implement the operation of the Animas-La Plata*
14 *Federal Reclamation Project, Colorado-New Mexico, a pro-*
15 *posed participating project under the Colorado River Storage*
16 *Project Act (70 Stat. 105), and being moved by considera-*
17 *tions of interstate comity, have resolved to conclude a com-*
18 *pact for these purposes and have agreed upon the following*
19 *articles:*

20 “ARTICLE I

21 “A. *The right to store and divert water in Colorado and*
22 *New Mexico from the La Plata and Animas River systems,*
23 *including return flow to the La Plata River from Animas*
24 *River diversions, for uses in New Mexico under the Animas-*

1 *La Plata Federal Reclamation Project shall be valid and of*
2 *equal priority with those rights granted by decree of the*
3 *Colorado state courts for the uses of water in Colorado for*
4 *that project, providing such uses in New Mexico are within*
5 *the allocation of water made to that state by articles III*
6 *and XIV of the Upper Colorado River Basin Compact*
7 *(63 Stat. 31).*

8 *“B. The restrictions of the last sentence of Section (a)*
9 *of Article IX of the Upper Colorado River Basin Compact*
10 *shall not be construed to vitiate paragraph A of this article.*

11 *“ARTICLE II*

12 *“This Compact shall become binding and obligatory*
13 *when it shall have been ratified by the legislatures of each*
14 *of the signatory States.”*

15 *(d) The Secretary shall, for the Animas-La Plata,*
16 *Dolores, Dallas Creek, San Miguel, West Divide, and Seed-*
17 *skadee participating projects of the Colorado River storage*
18 *project, establish the nonexcess irrigable acreage for which*
19 *any single ownership may receive project water at one*
20 *hundred and sixty acres of class 1 land or the equivalent*
21 *thereof, as determined by the Secretary, in other land classes.*

22 *(e) In the diversion and storage of water for any project*
23 *or any parts thereof constructed under the authority of this*
24 *Act or the Colorado River Storage Project Act within and*
25 *for the benefit of the State of Colorado only, the Secretary*

1 is directed to comply with the constitution and statutes of
2 the State of Colorado relating to priority of appropriation;
3 with State and Federal court decrees entered pursuant there-
4 to; and with operating principles, if any, adopted by the
5 Secretary and approved by the State of Colorado.

6 (f) The words "any western slope appropriations" con-
7 tained in paragraph (i) of that section of Senate Docu-
8 ment Numbered 80, Seventy-fifth Congress, first session,
9 entitled "Manner of Operation of Project Facilities and Aux-
10 iliary Features", shall mean and refer to the appropriation
11 heretofore made for the storage of water in Green Mountain
12 Reservoir, a unit of the Colorado-Big Thompson Federal
13 reclamation project, Colorado; and the Secretary is directed
14 to act in accordance with such meaning and reference. It is
15 the sense of Congress that this directive defines and observes
16 the purpose of said paragraph (i), and does not in any way
17 affect or alter any rights or obligations arising under said
18 Senate Document Numbered 80 or under the laws of the
19 State of Colorado.

20 SEC. 502. The Upper Colorado River Basin Fund estab-
21 lished under section 5 of the Act of April 11, 1956 (70 Stat.
22 107), shall be reimbursed from the Colorado River Develop-
23 ment Fund established by section 2 of the Boulder Canyon
24 Project Adjustment Act (54 Stat. 755) for the money ex-
25 pended heretofore or hereafter from the Upper Colorado

1 *River Basin Fund to meet deficiencies in generation at Hoover*
 2 *Dam during the filling period of storage units of the Colo-*
 3 *rado River storage project pursuant to the criteria for the*
 4 *filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July*
 5 *19, 1962). For this purpose, \$500,000 for each year of oper-*
 6 *ation of Hoover Dam and powerplant, commencing with the*
 7 *enactment of this Act, shall be transferred from the Colorado*
 8 *River Development Fund to the Upper Colorado River Basin*
 9 *Fund, in lieu of application of said amounts to the purposes*
 10 *stated in section 2(d) of the Boulder Canyon Project Ad-*
 11 *justment Act, until such reimbursement is accomplished. To*
 12 *the extent that any deficiency in such reimbursement remains*
 13 *as of June 1, 1987, the amount of the remaining deficiency*
 14 *shall then be transferred to the Upper Colorado River Basin*
 15 *Fund from the Lower Colorado River Basin Development*
 16 *Fund, as provided in subsection (g) of section 403.*

17 *TITLE VI—GENERAL PROVISIONS:*

18 *DEFINITIONS: CONDITIONS*

19 *SEC. 601. (a) Nothing in this Act shall be construed*
 20 *to alter, amend, repeal, modify, or be in conflict with the*
 21 *provisions of the Colorado River Compact (45 Stat. 1057),*
 22 *the Upper Colorado River Basin Compact (63 Stat. 31),*
 23 *the Water Treaty of 1944 with the United Mexican States*
 24 *(Treaty Series 994), the decree entered by the Supreme*
 25 *Court of the United States in Arizona against California, and*

1 others (376 U.S. 340), or, except as otherwise provided
2 herein, the Boulder Canyon Project Act (45 Stat. 1057),
3 the Boulder Canyon Project Adjustment Act (54 Stat.
4 774) or the Colorado River Storage Project Act (70 Stat.
5 1053).

6 (b) The Secretary is directed to—

7 (1) make reports as to the annual consumptive
8 uses and losses of water from the Colorado River system
9 after each successive five-year period, beginning with
10 the five-year period starting on October 1, 1970. Such
11 reports shall be prepared in consultation with the States
12 of the lower basin individually and with the Upper Colo-
13 rado River Commission, and shall be transmitted to the
14 President, the Congress, and the Governors of each
15 State signatory to the Colorado River Compact;

16 (2) condition all contracts for the delivery of water
17 originating in the drainage basin of the Colorado River
18 system upon the availability of water under the Colo-
19 rado River Compact.

20 (c) All Federal officers and agencies are directed to
21 comply with the applicable provisions of this Act, and of
22 the laws, treaty, compacts, and decree referred to in subsec-
23 tion (a) of this section, in the storage and release of water
24 from all reservoirs and in the operation and maintenance of
25 all facilities in the Colorado River system under the jurisdic-

1 tion and supervision of the Secretary, and in the operation
2 and maintenance of all works which may be authorized here-
3 after for the augmentation of the water supply of the Colorado
4 River system. In the event of failure of any such officer or
5 agency to so comply, any affected State may maintain an
6 action to enforce the provisions of this section in the Supreme
7 Court of the United States and consent is given to the joinder
8 of the United States as a party in such suit or suits, as a
9 defendant or otherwise.

10 SEC. 602. (a) In order to fully comply with and carry
11 out the provisions of the Colorado River Compact, the Upper
12 Colorado River Basin Compact, and the Mexican Water
13 Treaty, the Secretary shall propose criteria for the coordi-
14 nated long-range operation of the reservoirs constructed and
15 operated under the authority of the Colorado River Storage
16 Project Act, the Boulder Canyon Project Act, and the
17 Boulder Canyon Project Adjustment Act. To effect in part
18 the purposes expressed in this paragraph, the criteria shall
19 make provision for the storage of water in storage units of
20 the Colorado River Storage Project and releases of water from
21 Lake Powell in the following listed order of priority:

22 (1) Releases to supply one-half the deficiency de-
23 scribed in article III(c) of the Colorado River Compact,
24 if any such deficiency exists and is chargeable to the
25 States of the Upper Division, but in any event such re-

1 leases, if any, shall not be required in any year that the
2 Secretary makes the determination and issues the procla-
3 mation specified in section 202 of this Act.

4 (2) Releases to comply with article III(d) of the
5 Colorado River Compact, less such quantities of water
6 delivered into the Colorado River below Lee Ferry to the
7 credit of the States of the Upper Division from other
8 sources.

9 (3) Storage of water not required for the releases
10 specified in clauses (1) and (2) of this subsection to
11 the extent that the Secretary, after consultation with the
12 Upper Colorado River Commission and representatives
13 of the three Lower Division States and taking into con-
14 sideration all relevant factors (including, but not limited
15 to, historic streamflows, the most critical period of
16 record, and probabilities of water supply), shall find
17 this to be reasonably necessary to assure deliveries under
18 clauses (1) and (2) without impairment of annual
19 consumptive uses in the upper basin pursuant to the
20 Colorado River Compact: Provided, That water not so
21 required to be stored shall be released from Lake Powell:
22 (i) to the extent it can be reasonably applied in the
23 States of the Lower Division to the uses specified in
24 article III(e) of the Colorado River Compact, but no
25 such releases shall be made when the active storage

1 *in Lake Powell is less than the active storage in Lake*
2 *Mead, (ii) to maintain, as nearly as practicable, active*
3 *storage in Lake Mead equal to the active storage in*
4 *Lake Powell, and (iii) to avoid anticipated spills from*
5 *Lake Powell.*

6 *(b) Not later than January 1, 1970, the criteria*
7 *proposed in accordance with the foregoing subsection (a) of*
8 *this section shall be submitted to the Governors of the seven*
9 *Colorado River Basin States and to such other parties and*
10 *agencies as the Secretary may deem appropriate for their*
11 *review and comment. After receipt of comments on the pro-*
12 *posed criteria, but not later than July 1, 1970, the Secretary*
13 *shall adopt appropriate criteria in accordance with this sec-*
14 *tion and publish the same in the Federal Register. Beginning*
15 *January 1, 1972, and yearly thereafter, the Secretary shall*
16 *transmit to the Congress and to the Governors of the Colo-*
17 *rado River Basin States a report describing the actual oper-*
18 *ation under the adopted criteria for the preceding compact*
19 *water year and the projected operation for the current year.*
20 *As a result of actual operating experience or unforeseen cir-*
21 *cumstances, the Secretary may thereafter modify the criteria*
22 *to better achieve the purposes specified in subsection (a) of*
23 *this section, but only after correspondence with the Gov-*
24 *ernors of the seven Colorado River Basin States and ap-*

1 appropriate consultation with such State representatives as each
2 Governor may designate.

3 (c) Section 7 of the Colorado River Storage Project Act
4 shall be administered in accordance with the foregoing
5 criteria.

6 SEC. 603. (a) Rights of the upper basin to the con-
7 sumptive use of water available to that basin from the Colo-
8 rado River system under the Colorado River Compact shall
9 not be reduced or prejudiced by any use of such water in the
10 lower basin.

11 (b) Nothing in this Act shall be construed so as to
12 impair, conflict with, or otherwise change the duties and
13 powers of the Upper Colorado River Commission.

14 SEC. 604. Except as otherwise provided in this Act, in
15 constructing, operating, and maintaining the units of the
16 projects herein and hereafter authorized, the Secretary shall
17 be governed by the Federal reclamation laws (Act of
18 June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or
19 supplementary thereto) to which laws this Act shall be
20 deemed a supplement.

21 SEC. 605. Part I of the Federal Power Act (41 Stat.
22 1063; 16 U.S.C. 791a-823) shall not be applicable to the
23 reaches of the main stream of the Colorado River between

1 *Hoover Dam and Glen Canyon Dam until and unless other-*
2 *wise provided by Congress.*

3 *SEC. 606. As used in this Act, (a) all terms which are*
4 *defined in the Colorado River Compact shall have the mean-*
5 *ings therein defined;*

6 *(b) "Main stream" means the main stream of the Colo-*
7 *rado River downstream from Lee Ferry, within the United*
8 *States, including the reservoirs thereon;*

9 *(c) "User" or "water user" in relation to main-stream*
10 *water in the lower basin means the United States or any*
11 *person or legal entity entitled under the decree of the*
12 *Supreme Court of the United States in Arizona against*
13 *California, and others (376 U.S. 340) to use main-stream*
14 *water when available thereunder;*

15 *(d) "Active storage" means that amount of water in*
16 *reservoir storage, exclusive of bank storage, which can be*
17 *released through the existing reservoir outlet works;*

18 *(e) "Colorado River Basin States" means the States*
19 *of Arizona, California, Colorado, Nevada, New Mexico,*
20 *Utah, and Wyoming; and*

21 *(f) "Augment" or "augmentation", when used herein*
22 *with reference to water, means to increase the supply of the*
23 *Colorado River or its tributaries by the introduction of water*
24 *into the Colorado River system, which is in addition to the*
25 *natural supply of the system.*

90TH CONGRESS
2D Session

H. R. 3300

[Report No. 1312]

A BILL

To authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes.

By Mr. ASPINALL

JANUARY 23, 1967

Referred to the Committee on Interior and Insular
Affairs

APRIL 24, 1968

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued May 8, 1968
For actions of May 7, 1968
90th-2nd; No. 77

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HIGHLIGHTS: House Rules Committee cleared Public Law 480 bill. Rep. Vigorito introduced and discussed bill to prohibit unauthorized use of "USDA" grade labeling.

HOUSE

1. PUBLIC LAW 480. The Rules Committee reported a resolution for consideration of H. R. 16165, to extend and amend the Agricultural Trade Development and Assistance Act. p. H3453
2. HOLIDAYS. By a 350-27 vote, agreed to consider H. R. 15951, to provide for certain uniform Monday holidays (pp. H3413-16). This bill is to be debated today, May 8 (p. D401).

3. APPROPRIATIONS. The Rules Committee reported a resolution waiving points of order against H. R. 17023, the independent offices and HUD appropriation bill (p. H3453). This bill is to be debated today, May 8 (p. D401).
4. RECLAMATION. The Rules Committee reported resolutions for consideration of H. R. 3300, to authorize the Colorado River Basin reclamation project, and S. 3033, to increase the authorization for the Missouri River Basin reclamation project. p. H3453
5. FORESTRY. The Judiciary Committee reported with amendment H. R. 3165, for relief of Hood River County, Oreg., in connection with alleged timber trespass arising out of timber sales (H. Rept. 1358). p. H3453
6. COMMODITY RESERVES. Received from this Department a proposed bill to provide for establishment and maintenance of strategic reserve stocks of agricultural commodities by producers and Commodity Credit Corporation for national security, public protection, meeting international commitments, etc. To Agriculture Committee. p. H3453
7. BUILDINGS; PROPERTY. The Public Works Committee voted to report (but did not actually report) H. R. 16981, limiting the use for demonstration purposes of any federally owned property in D. C. (p. D402). Rep. Cramer commended the bill (p. H3433).
8. FOREIGN TRADE. Rep. Herlong spoke in favor of H. R. 16936, to share domestic markets with imports and let them grow together. pp. H3433-6
9. TAXATION; EXPENDITURES. Rep. Moorhead recommended the compromise proposed by the Ways and Means Committee in connection with the taxation-expenditures bill. p. H3440
10. EMPLOYMENT. Rep. Goodell spoke in favor of H. R. 17028, to strengthen enforcement procedures of the Equal Employment Opportunity Commission. p. H3442
11. PERSONNEL. Rep. Gross asked that Government employees be prohibited from promoting the poor people's campaign on Government time. pp. H3442-3

SENATE

12. ARTS AND HUMANITIES. Passed as reported H. R. 11308, to amend the National Foundation on the Arts and Humanities Act of 1965 to authorize funding through fiscal year 1970, and make certain other changes of a technical nature. pp. S5011-6
13. FARM LABOR. Received a farm workers resolution calling for legislation to cover agricultural workers under the Unemployment Act. p. S5041
14. FREIGHT RATES. Sen. Church was added as a cosponsor of S. 3410, to establish an advisory commission to make a study and report with respect to freight rates for farm products. p. S5046

CONSIDERATION OF H.R. 3300

MAY 7, 1968.—Referred to the House Calendar and ordered to be printed

Mr. SISK, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 1162]

The Committee on Rules, having had under consideration House Resolution 1162, reports the same to the House with the recommendation that the resolution do pass.



House Calendar No. 234

90TH CONGRESS
2D SESSION

H. RES. 1162

[Report No. 1360]

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 1968

Mr. SISK, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H.R. 3300) to authorize
5 the construction, operation, and maintenance of the Colo-
6 rado River Basin project, and for other purposes, and all
7 points of order against said bill are hereby waived. After
8 general debate, which shall be confined to the bill and shall
9 continue not to exceed four hours, to be equally divided and
10 controlled by the chairman and ranking minority member
11 of the Committee on Interior and Insular Affairs, the bill
12 shall be read for amendment under the five-minute rule. It

1 shall be in order to consider without the intervention of any
2 point of order the amendment in the nature of a substitute
3 recommended by the Committee on Interior and Insular
4 Affairs now printed in the bill, and such substitute shall be
5 considered under the five-minute rule as an original bill and
6 read by titles instead of by sections. At the conclusion of such
7 consideration the Committee shall rise and report the bill
8 to the House with such amendments as may have been
9 adopted, and any Member may demand a separate vote in
10 the House on any amendment adopted in the Committee of
11 the Whole to the bill or committee amendment in the nature
12 of a substitute. The previous question shall be considered as
13 ordered on the bill and amendments thereto to final passage
14 without intervening motion except one motion to recommit
15 with or without instructions. After the passage of H.R. 3300,
16 the Committee on Interior and Insular Affairs shall be dis-
17 charged from the further consideration of the bill S. 1004,
18 and it shall then be in order in the House to move to strike
19 out all after the enacting clause of the said Senate bill and to
20 insert in lieu thereof the provisions contained in H.R. 3300
21 as passed by the House.

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90TH CONGRESS
2D SESSION

H. RES. 1162

[Report No. 1360]

RESOLUTION

Providing for consideration of H.R. 3300 to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes.

By Mr. SISK

May 7, 1968

Referred to the House Calendar and ordered to be printed

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
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OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
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Issued May 16, 1968
For actions of May 15, 1968
90th-2nd; No. 83

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HIGHLIGHTS: Senate committee voted to report bills on food stamp, Cradle of Forestry, emergency credit, Kerr Memorial, and watershed construction. Senate committee reported housing bill. House subcommittee approved bill to lease tobacco allotments without clearance.

HOUSE

1. RECLAMATION. Completed general debate on H. R. 3300, the Colorado River Basin project bill. pp. H3771-846

2. APPROPRIATIONS. The Appropriations Committee was granted until midnight May 16 to report the Interior Dept. and related agencies appropriation bill. p. H3771

3. INTEREST RATES. Reps. Sullivan and Brock were appointed as House members of the Commission To Study Mortgage Interest Rates and the Availability of Mortgage Credit at a Reasonable Cost to the Consumer. p. H3774
4. CCC. Both Houses received from the President the Annual Report of the Commodity Credit Corporation. The President stated that the report "shows that the Corporation has continued to reduce agricultural surpluses" and "demonstrates that the broad authority of the Commodity Credit Corporation is being used to benefit both the U. S. farmer and those in great need abroad." To H. Banking and Currency and S. Agriculture and Forestry Committees. pp. H3775, S5618
5. PUBLIC LAW 480. Agreed to perfect the title of S. 2986, to extend and amend this law (p. H3772). During debate (see Digest 82) the Findley amendment was agreed to, 370-21, and the Steiger amendment was withdrawn.
6. LANDS; TOBACCO. A subcommittee of the Agriculture Committee approved for full committee action H. R. 16065, to release conditions in deeds conveying certain lands to Iowa, and H. R. 17002, to permit transfer of tobacco allotments by lease without clearance from lienholder. p. D438
The Interior and Insular Affairs Committee voted to report (but did not actually report) S. 1059, to authorize a longer term of grazing leases on Alaska lands to attract long-term financing up to 55 years in place of 20 years. p. D438
7. DEFENSE PRODUCTION. The Banking and Currency Committee voted to report (but did not actually report) H. R. 17268, amended, to continue the Defense Production Act. p. D438
8. CREDIT. The "Daily Digest" states that the conferees on S. 5, the truth in lending bill, agreed to file a report. p. D439
9. ELECTRIFICATION. Rep. Whitten congratulated the REA on its 33rd anniversary and praised the role that the rural electric cooperatives have taken in "an effort to lift the standard of living for millions of rural people." p. H3847
10. TAXATION; EXPENDITURES. Rep. Denney stated "if revenue bonds for industrial development purposes are to be preserved as an effective economic development tool providing substantial employment, a dollar limit should not be set below \$10 million." He stated that conferees on the tax bill have "decided that the income on these bonds should be taxable in the case of any issue over \$1 million." pp. H3847-8
Rep. Wyman urged the Appropriations Committee of both Houses to "immediately convene and recommend to the conferees on the tax bill \$6 billion in specific cuts." pp. H3849-50
Rep. Albert announced that "the tax bill conference report will not be called up before the Memorial Day holiday." p. H3846

House of Representatives

WEDNESDAY, MAY 15, 1968

The House met at 12 o'clock noon.
The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

It is God who is at work within you, giving you the will and the power to achieve His purpose.—Philippians 2: 13 (Phillips).

Our Father in Heaven, we thank Thee for this sacred minute when we unite our hearts in prayer unto Thee, when for a moment we pause in Thy presence seeking guidance and strength from Thy hand.

Let not the beauty of the earth, nor the glory of the skies, nor the love which surrounds us daily blind us to the needs of the needy and the poverty of the poor. Make us so dissatisfied with large professions and little practices, with fine words and feeble works, with smiling faces and sour faiths that we now pray earnestly for the renewal of a right and a good spirit within us.

Speak Thou to us, O Lord, and may we hear Thy voice, and hearing it harken to it, and harkening to it heed it, for the glory of Thy name, the good of our Nation, and the greatness of this House of Representatives. In the Master's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Bradley, one of its clerks, announced that the Senate had passed, with amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 15190. An act to amend sections 3 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 68. An act for the relief of Dr. Noel O. Gonzalez;

S. 107. An act for the relief of Cita Rita Leola Ines; and

S. 2248. An act for the relief of Dr. Jose Fuentes Roca.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 758. An act to amend the Interstate Commerce Act to enable the Interstate Commerce Commission to utilize its employees more effectively and to improve administrative efficiency; and

S. 3159. An act authorizing the Trustees of the National Gallery of Art to construct a building or buildings on the site bounded by Fourth Street, Pennsylvania Avenue, Third Street, and Madison Drive NW., in the District of Columbia, and making provision for the maintenance thereof.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1969, UNTIL MIDNIGHT MAY 16

Mrs. HANSEN of Washington. Mr. Speaker, the Committee on Appropriations plans to report the Interior appropriation bill tomorrow.

I ask unanimous consent that the Committee on Appropriations have until midnight, May 16, 1968, to file a privileged report on the Department of Interior and related agencies appropriation bill for fiscal year 1969.

Mr. McDADE reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

POOR PEOPLE'S MARCH ON WASHINGTON

(Mr. FARBSTAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FARBSTAIN. Mr. Speaker, I would like to welcome the Poor People's March on Washington to the Nation's Capitol. I applaud its leaders for exercising their constitutional rights of petition, for expressing their grievances eloquently but nonviolently. I trust that violent revolutionaries will not exploit the peaceful protests of the marchers by provoking disorder. I implore my colleagues in Congress, Mr. Speaker, to take the message of the Poor People's March to heart—for this is a country in which there should not be poverty, nor racial injustice. This Nation is too great and too affluent for us not to feed the hungry, clothe the naked, and house the homeless—in short to take care of the poor in our land.

ANOTHER MERCHANT KILLED IN WASHINGTON

(Mr. ROGERS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGERS of Florida. Mr. Speaker,

yesterday another merchant was killed in his store in the Nation's Capital—the fourth such killing in this area in 15 days.

The Mayor is quoted as being critical of the merchants associations which have taken ads in the local newspapers to call for increased protection. The Public Safety Director says the increase in crime this year is about the same as the increase last year—not that that is very reassuring, when it means that 894 major crimes are committed each week.

Yet neither the Mayor nor the Public Safety Director has announced any forceful plan to bring law and order to the city of Washington.

There were 122 cases of arson and suspected arson in Washington in April—not counting the 488 cases associated with the April 4-8 riot period. There were 85 such cases during January, February, and March, before the riot. The May figure will undoubtedly be large judging from the cases reported daily in the press.

The crime rate in Washington shows a 27.4-percent increase for March 1968 over March 1967, the month before the riot. Robbery increased 46 percent, burglary 30.6 percent. And these figures are for "major" crimes only, and do not even include arson or looting or vandalism.

I am now informed that policemen already overworked trying to combat crime are being detached from precincts around the city to help handle the problems resulting from the March on Washington. The effect of this deployment of manpower on crime can only be guessed.

Law and order must be restored in Washington—now. If the Mayor or Public Safety Director wish to call a 40-percent increase in robbery "normal," it is but further proof of the need for a change at city hall.

PROVIDING FOR CONSIDERATION OF H.R. 3300, COLORADO RIVER BASIN PROJECT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1162 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1162

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3300) to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking

minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill, and such substitute shall be considered under the five-minute rule as an original bill and read by titles instead of by sections. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 3300, the Committee on Interior and Insular Affairs shall be discharged from the further consideration of the bill S. 1004, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 3300 as passed by the House.

CALL OF THE HOUSE

Mr. FARBSTAIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 139]

Ashley	Gubser	Morse, Mass.
Biester	Gurney	Olsen
Blatnik	Halleck	O'Neill, Mass.
Button	Hardy	Pool
Carter	Hébert	Purcell
Clark	Herlong	Randall
Collier	Holland	Resnick
Davis, Ga.	Karsten	Rosenthal
Derwinski	Kee	Selden
Dorn	Kelly	Teague, Tex.
Flood	Kluczynski	Tenzer
Fraser	Maillard	Wilson,
Frelinghuysen	Montgomery	Charles H.
Griffin	Moore	Young

The SPEAKER. On this rollcall 391 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Geisler, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On May 11, 1968:

H.R. 2434. An act for the relief of Nora Austin Hendrickson.

On May 13, 1968:

H.R. 13176. An act to amend the acts of February 1, 1826, and February 20, 1833, to authorize the State of Ohio to use the proceeds from the sale of certain lands for educational purposes.

AMENDMENT OF TITLE OF S. 2986, TO EXTEND PUBLIC LAW 480

Mr. POAGE. Mr. Speaker, I ask unanimous consent that in the engrossment of the amendment to the Senate bill (S. 2986) to extend Public Law 480, 83d Congress, to which the House agreed yesterday, that the Clerk of the House be authorized and directed to make a conforming amendment to the title of the bill. The title of the Senate bill provided for a 3-year extension of the law, but the House only extended the law until December 31, 1969.

The title should be amended to read as follows: "To extend the Agricultural Trade and Assistance Act of 1954, as amended, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, that means then specifically that it is limited to 1 year?

Mr. POAGE. That is right; it just gets it in the title.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3300, COLORADO RIVER BASIN PROJECT

The SPEAKER. The gentleman from California, Mr. Sisk, is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH] and pending that I yield myself such time as I may consume.

(Mr. SISK asked and was given permission to revise and extend his remarks.)

Mr. SISK. Mr. Speaker, House Resolution 1162 provides an open rule, waiving points of order, with 4 hours of general debate for consideration of H.R. 3300 authorizing funds for the Colorado River Basin project. The resolution also provides that it shall be in order to consider the committee substitute as an original bill for the purpose of amendment. After passage of H.R. 3300, the Committee on Interior and Insular Affairs shall be discharged from further consideration of S. 1004 and it shall be in order to move to strike out all after the enacting clause of the Senate bill and amend it with the House-passed language. The waiver of points of order was granted due to a transfer of funds in the bill—page 73, beginning on line 25, section 403(c) (2).

H.R. 3300 provides for regional and westwide water resources planning to remedy the present and prospective critical water situation in the Pacific Southwest, including the entire Colorado River Basin. The Secretary of the Interior, working under general criteria to be established by the Water Resources Council and in consultation with the affected States, is required to conduct westwide studies to

determine how and where to get additional water supplies for use in the Colorado River Basin and to develop a plan for meeting not only present Colorado River water commitments but future water needs throughout the basin as well. However, he is forbidden to recommend importation from areas of surplus without the approval of the States affected.

Mr. Speaker, I urge the adoption of House Resolution 1162 in order that H.R. 3300 may be considered.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. SISK. I will be happy to yield to the gentleman from Missouri.

Mr. HALL. Mr. Speaker, do we understand from the statement made by the gentleman—and we compliment him on bringing to the Members of the House the reason for the waiving of points of order in the wisdom of the Committee on Rules—that this is the only place in the bill, in the entire bill, for which all points of order are waived?

Mr. SISK. That is my understanding. In fact, it was my original understanding that the request of the chairman of the Committee on Interior and Insular Affairs only went to this section, and that the waiver of points of order applies to that specific section.

Actually, as the resolution is written, I might say in all fairness to my good friend from Missouri, of course, it does indicate that all points of order are waived. But that is the only point, as I understand, that would be subject to such a point of order, due to the transfer of funds.

Mr. HALL. As the gentleman well knows, in the rule that came out of the committee, House Resolution 1162, page 1, after "and for other purposes," on line 7 it says "and all points of order against said bill are hereby waived."

So that, if in the wisdom of the individual Members, we should find other places in the bill to which we wish to submit points of order for a ruling of the Chair, that would be automatically voided by this rule.

As I said in the beginning, I compliment the gentleman, and we had a colloquy on the floor only yesterday wherein we were advised that it is the intent of the Committee on Rules to have definite stipulations for granting points of order, and that they will be portrayed to the Members here on the floor. I say it is timely inasmuch as we have been subjected to six or more such waivers in the last 2 weeks totaling less than 12 such resolutions. I wonder if we might not consider further, where a specific request is asked by the chairman of a committee that the Committee on Rules put in the stipulation on the rule making consideration of the bill in order, at which place in the bill it occurs; so that we do not automatically eliminate the prerogatives of the individually elected Members of the Congress against all other portions of the bill than that which is necessary in the wisdom of the Committee on Rules?

Some of us are perfectly willing to accept this as it comes from the committee chairman. If it is put in by an extraneous source other than the Committee on Rules or the committee chairman, as I said yesterday, we might be "making book" on this situation. But be that as it may, I wonder if the committee could specify hereafter where it is?

Mr. SISK. If the gentleman will permit me at this point to make one comment, the Committee on Rules has given careful consideration to this whole matter of waiver of points of order. We recognize that all Members are concerned about arbitrary waivers, and so on.

So as a result of that, we are now requesting from any chairman of any legislative committee coming before the Committee on Rules and requesting a waiver of points of order to cite specifically the purpose, section, page, information and reasons for it. Hereafter, it is my understanding that the Committee on Rules will pin the waiver of points of order to that specific request and not to the entire bill.

As I said, it was my understanding at the time the request was made that that would be true in this case. But we are now just putting into effect these new rules so to speak, and inadvertently the way the resolution reads, it does waive all points of order.

The remarks of the gentleman from Missouri are well taken and I agree with him and that is what we hope to do in the future.

Mr. HALL. I appreciate the gentleman's statement and thank the gentleman.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the distinguished chairman of the Committee on Interior and Insular Affairs.

Mr. ASPINALL. Following the thoughts expressed by the gentleman from Missouri [Mr. HALL] and also in conformity with the present thinking of the Committee on Rules, I have had a brief prepared relative to section 403 of the bill, H.R. 3300 as to where the waiving of points of order is pertinent and I would ask unanimous consent, Mr. Speaker, to include this statement that I have at this point in the Record.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, the provision waiving points of order against H.R. 3300 is directed to language which, in effect, constitutes an appropriation in violation of rule XXI of the House.

Section 403 of H.R. 3300 establishes a separate fund in the Treasury. Among the revenue sources for this fund are the revenues collected from projects authorized by H.R. 3300 as well as revenues from the existing Boulder Canyon and Parker-Davis projects and the Pacific Northwest-Pacific Southwest intertie. In turn, moneys in the fund are made available, without further appropriation, for, first, defraying the costs of operating and maintaining the central Arizona project; second, reimbursing water users in the State of Arizona for losses sustained as a result of diminution of the production

of hydroelectric power at Coolidge Dam because of exchanges of water between users in Arizona and New Mexico; and, third, reimbursement of the Upper Colorado River Basin fund for money expended to meet deficiencies in power generation at Hoover Dam during the filling period for Lake Powell.

There are numerous precedents for making project revenues available for operation and maintenance expenses without further appropriation, including the upper Colorado River storage project, the Fort Peck project, the North Platte project, the Tennessee Valley development, and the dams and navigation works of the Corps of Engineers. Actually, these costs are paid into the fund each year specifically for operation and maintenance purposes. The estimated amount involved in the operation and maintenance expenses for the central Arizona project is about \$12.8 million annually. The reimbursement amount for the other items, which is a temporary obligation, is just over half a million dollars annually.

Mr. SISK. I thank the gentleman from Colorado for his addition to the information on this subject.

Mr. Speaker, I would like at this time to make my own position clear on this bill rather than to take the time of the Committee later in debate.

As a Member of the Congress from the State of California, this Member is in full support of the bill that has been brought to us today.

I want to commend the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. ASPINALL], and the chairman of the subcommittee, my colleague, the gentleman from California [Mr. JOHNSON] and all the members of that committee for the long and arduous work they have done in attempting to bring together the necessary parts in the legislative procedure to put this program together. This program goes back I suppose almost 40 years or more in history. The passage of this bill will fulfill a dream going back for so many years for the people of the State of Arizona and for others in the Southwest area.

Mr. Speaker, a few days ago a very distinguished and a very great American announced his intention to retire, a Member of the other body, the distinguished senior Senator from the great State of Arizona, who will be retiring after 56 years of service in the Congress of the United States, a record that is unsurpassed in the history of our country. During the major portion of those 56 years, the distinguished senior Senator from that State has made this one of the prime subjects of his efforts. I know that the passage of this bill and the signing of it into law will be a deserved tribute to this distinguished American.

Mr. Speaker, there has been much controversy surrounding the Colorado River and much controversy between the State that I have the honor to represent and the State of Arizona and between the States in the lower basin and those in the upper basin over the disposal of the waters of the Colorado River.

Over the years many, many people

have worked long and hard in an attempt to put together a reasonable compromise, a reasonable proposal to make available to the people of Arizona their rightful share of the waters of the Colorado River.

As I have said, I think the Committee on Interior and Insular Affairs, as well as many others who are here today, and some who have gone on before, are to be paid a tribute for the work that they have done, for the contributions that they have made from many of the States of the West.

So, Mr. Speaker, I would hope that this resolution would be adopted, and that the committee be permitted to explain this legislation and, finally, Mr. Speaker, that H.R. 3300 pass this House overwhelmingly. I reserve the balance of my time.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, I concur in the remarks of the gentleman from California [Mr. SISK] in explanation of House Resolution 1162. I would like to make a few remarks about the bill, as I, too, am from California and in strong support of this legislation.

The purposes of the bill are to authorize the central Arizona project; to provide for the immediate start of augmentation studies including transbasin diversions; to make the provisions of the Mexican Water Treaty a national obligation with satisfaction of this obligation the first priority of the water to be imported from other basins; to guarantee in perpetuity to California the use of 4.4 million acre-feet of water from the Colorado; and to authorize five projects in the upper basin.

Some general background information is necessary to set the bill in proper perspective. The Colorado River Basin is one of America's fastest growing regions. This growth is to a very substantial degree dependent on the waters of the Colorado; particularly is this true in central Arizona and southern California. There is now more Colorado River water already committed by compacts, the Mexican Water Treaty, and the recent Supreme Court decision in Arizona against California than will be available from the river in times of normal flow. In the lower basin States of Arizona and California a shortage would currently exist if these States were not now using waters guaranteed for use by upper basin States but not currently needed. Year by year this excess of water will decline as the upper basin's needs grow. The question is not whether the waters of the Colorado should be augmented—they must—but rather how this is to come about. H.R. 3300 attempts to resolve these problems and thus assure all basin States of adequate water for their future growth and development.

The bill authorizes the construction of the central Arizona project. This will serve the water-short areas of Phoenix and Tucson and carry out the mandate of the Supreme Court. The bill author-

izes the expenditure of \$779,000,000 for construction and related costs. Of this amount, it is estimated that over a 50-year period the fees charged to users will return to the Federal Government about \$671,000,000 or about 86 percent of the expended funds. The area served by the project produces over \$1,000,000,000 in agricultural products. This production is almost entirely dependent upon fresh water. The areas underground water table has fallen from a level of 70 feet below the surface in 1940 to over 200 feet below today—and the lower it falls the lower the quality of the water. Additionally, the population and development of the area is expanding rapidly and it, too, depends on more fresh water.

In addition to authorizing the central Arizona project, the bill also authorizes the construction of five projects in the upper basin States of Colorado, Utah, New Mexico, and Wyoming. Authorizations for these projects total \$392,000,000 for construction and related needs. Of this total, it is estimated that users fees over a 50-year period will return to the Federal Government about \$370,000,000 or 92 percent of the costs.

Total authorizations called for in the bill are \$1,286,000,000. All but \$200,000,000 is in connection with the central Arizona project and the five upper basin projects. The remaining authorizations cover such projects as: \$100,000,000 for construction of drainage and distribution facilities in the lower basin States and an increase in the authorization for the Dixie project in Utah, which is a part of the overall development of the Colorado River Basin.

The bill also guarantees to the State of California no less than 4.4 million acre-feet of water annually. Now California is using over 5 million acre-feet, but as explained, this surplus water is actually water which upper basin States have a right to use, but have not yet needed to tap. Each year they increase their needs and the available surplus will continually decrease. The bill confirms the Supreme Court decision and California law: this provides that no matter what the rate of flow, California is guaranteed its right to use 4.4 million acre-feet in perpetuity. If the water supply of the Colorado is insufficient to satisfy the annual consumption use of 7.5 million acre-feet—the amount now contracted for and guaranteed to current users in Arizona, California, and Nevada—then the user who will suffer a diminution of water is the new user authorized in the bill, the central Arizona project.

In order to assure that no permanent water shortage develops further in the lower basin, and to assure further development throughout the area, a number of provisions have been included in the bill which have created the controversy surrounding it. First, the bill provides that the obligations assumed by the seven basin States in guaranteeing to Mexico by treaty 1.5 million acre-feet annually is now to become a national obligation. The reason for this is that as domestic use increases it is a certainty that this additional water is not and will not be available for Mexico unless the Colorado is augmented with water from other

sources. This provision has created a good deal of controversy because testimony before the committee indicates the cost of bringing in the additional water, dams, canals, pumping stations, and so forth, will amount to about \$2.5 billion, which will now become a national obligation. Opponents believe the seven basin States should stand this expense, that just because the terms of the treaty work a hardship on them is no reason to ask the Government to bail them out. However, it should be noted that it is a treaty with another country we are talking about, and that development of the Southwest is as much in the national interest as the Tennessee Valley or Appalachian development.

Title II of the bill is controversial. It authorizes the Secretary of the Interior to undertake studies of the means and resources available to augment the flow of the Colorado. Both reconnaissance studies and feasibility studies are to be carried out, the first to be completed by 1973, the second by 1975. Opponents claim that authority for such studies of interbasin diversions of water already exists, and that since such authority does exist the Colorado Basin should not be singled out.

It is clear today that past studies and estimates have been wrong in their assessment of the water available from the Colorado. Unless the Nation is prepared to see the growth of the Southwest arrested the answer is clear; the waters of the Colorado must be augmented, probably by as much as 2.5 million acre-feet. It is now clear that by about 1985 the expected shortage will be a permanent fact of life, and the central Arizona project will not have the water necessary to fully realize the benefits which could flow from construction of the project.

This bill seeks to assist the general growth of the Southwest and to begin to examine ways to insure its future needs, without interfering with the rights of Mexico under its treaty. The bill does not deprive any area or State of any water or rights to water it now legally possesses. No augmentation of the Colorado by interbasin transfer can be affected without congressional approval at some future time.

It should be noted that much of the problem with the bill last year revolved around the construction of two dams which would flood the lower portion of the Grand Canyon. They are not included in this bill.

The bill also creates a National Water Commission to examine the Nation's water needs and formulate recommendations for the Congress on a national program.

A number of Members have filed various individual and additional views on various aspects of the bill. They relate to the Mexican Treaty obligation, authorizing water augmentation studies, and the substitution of the Connor site for the proposed Hooker site of the dam on the Gila River.

The Department of the Interior supports the bill as does the Bureau of the Budget.

Mr. Speaker, I support H.R. 3300. I urge the adoption of the rule and reserve the balance of my time.

Mr. Speaker, I have no further requests for time.

Mr. SISK. Mr. Speaker, I have no further requests for time. I urge adoption of the resolution.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF THE COMMISSION TO STUDY MORTGAGE INTEREST RATES AND AVAILABILITY OF MORTGAGE CREDIT

The SPEAKER. Pursuant to the provisions of section 4(b), Public Law 90-301, the Chair appoints as members of the Commission To Study Mortgage Interest Rates and the Availability of Mortgage Credit at a Reasonable Cost to the Consumer the following members on the part of the House: Mrs. SULLIVAN and Mr. BROCK.

REPORT OF SECRETARIES OF DEFENSE AND TRANSPORTATION ON CASH AWARDS TO MEMBERS OF ARMED FORCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Armed Services.

To the Congress of the United States:

I am happy to transmit to the Congress reports of the Secretary of Defense and the Secretary of Transportation on cash awards to members of our Armed Forces for noteworthy suggestions, inventions, or scientific achievements.

The cash awards program, first authorized by Congress in September 1965, has proved an excellent incentive for reducing costs and increasing efficiency in the Armed Forces.

The largest percentage of awards—89 percent—continues to be in the \$50 and under range. Of the 34,527 awards, however, 1,094 awards were over \$250. The total amount paid in awards for suggestions in 1967 was \$1,307,832.

In the Department of Defense, over \$63,000,000 in first-year benefits have resulted from suggestions submitted by military personnel during 1967. In the Coast Guard, since the inception of the program, benefits have amounted to over \$391,000. This raises the total amount of tangible benefits received during the relatively short life of the program to over \$119,000,000. Many additional benefits not measurable in dollar amounts have resulted from suggestions concerning safety and other matters.

Few investments of public funds have ever returned such prompt results in economy and efficiency. Few forms of recognition have so widely benefited the morale or encouraged the initiative of our men and women in uniform.

I urge every Member to examine the truly remarkable and encouraging achievements described in these reports of the Secretary of Defense and the Secretary of Transportation.

LYNDON B. JOHNSON.

THE WHITE HOUSE, May 15, 1968.

ANNUAL REPORT OF THE COMMODITY CREDIT CORPORATION FOR FISCAL YEAR 1967—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Banking and Currency:

To the Congress of the United States:

I am pleased to transmit to the Congress the Annual Report of the Commodity Credit Corporation for fiscal year 1967.

The Report shows that the Corporation has continued to reduce agricultural surpluses. This success is directly related to the substantial gains in the level of farm income since 1960—amounting to 24 percent in total realized net income, and 50 percent in net income per farm.

Despite this progress, per capita income for farmers still falls short of the level for urban workers.

Parity of income for farmers remains an unachieved goal. We began moving closer to its achievement with the passage of the Food and Agriculture Act of 1965. This legislation gives us the flexibility needed to adjust wheat, feed grain and cotton production levels. Supply management programs are vital if we are to improve returns to the Nation's farmers.

In my 1968 Message on the Farmer and Rural America, I have recommended the permanent extension of the 1965 Act to insure that authority for basic commodity programs will not be terminated. The farmer could ill-afford such a lapse.

With surpluses gone, the market operates more freely today than in many years. But the absence of surpluses also means that we must carefully maintain planned security reserves—a National Food Bank. I have recommended the new legislation which will be required to establish such a Bank. We must be able to hold reserve stocks of commodities in readiness for emergency use. At the same time our farmers must be protected against the price-depressing effects of such reserve stocks, particularly during their build-up.

Even though burdensome surpluses are no longer overhanging farm markets, farmers still need and use price-support loans to protect their prices from the depressing effects of temporarily large supplies, particularly at harvest time. In fiscal year 1967, farmers took out loans of nearly \$1.4 billion on 1966 crops and at the end of the year, price-support loans outstanding on these and previous crops totaled \$1.5 billion. In addition, price-support purchases, primarily of dairy products, amounted to \$327 million.

Commodity inventories owned by CCC at fiscal year end had a value of \$1.9 billion. This was more than \$1.2 billion less than a year earlier and more than \$2 billion less than two years ago. The inventories have dropped further since the end of last fiscal year. The smaller inventory level is bringing substantial reduction in CCC's storage, handling and transportation costs. In fiscal year 1967, these costs were down to \$310.7 million, compared to \$472.9 million in fiscal year 1966 and \$513.6 million in fiscal year 1965.

The CCC, in financing Public Law 480 sales for foreign currency and under long-term credit, helps to provide added outlets for U.S. farm production and to supplement the supply of agricultural commodities for people in the less developed countries. During fiscal year 1967, the total costs of this financing amounted to nearly \$1.3 billion.

The fiscal 1967 Report demonstrates that the broad authority of the Commodity Credit Corporation is being used to benefit both the U.S. farmer and those in great need abroad. No longer the caretaker of large and costly surpluses, the CCC is returning to its original objective of helping farmers to hold commodities off markets for better prices. And farmers are moving into a new era of balance between supply and demand, while continuing to help free the world from the danger of hunger.

LYNDON B. JOHNSON.

THE WHITE HOUSE, May 15, 1968.

COLORADO RIVER BASIN PROJECT

Mr. ASPINALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3300) to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Colorado.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3300, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Colorado [Mr. ASPINALL] will be recognized for 2 hours, and the gentleman from Pennsylvania [Mr. SAYLOR] will be recognized for 2 hours.

The Chair recognizes the gentleman from Colorado.

Mr. ASPINALL. Mr. Chairman, I yield myself 15 minutes.

(Mr. ASPINALL asked and was given permission to revise and extend his remarks.)

Mr. ASPINALL. Mr. Chairman, as we begin the consideration of H.R. 3300, which will be before us for the next 2 days, let us keep in mind one thing above all others. This is an authorization for a

large reclamation program—not the largest that we have ever had before the Congress, but one of the largest that has been before the Congress since reclamation programs were first authorized.

Many of my colleagues have stated to me during the last 2 or 3 weeks that this is not an appropriate time to bring up a piece of legislation such as this for consideration. I am not in agreement with these colleagues. I think that this is the appropriate time. What we propose by this legislation is to authorize a large public works program which will be in keeping with the best of similar programs so that it will be ready for construction when we are through with the war efforts in which we are now involved and the tremendous expenditures which go along with those efforts. When peace comes to this country—and may God grant that it come soon—there will be a tremendous slackening off of our economic programs. This legislation, and bills similar to it, are being prepared for those times of peace which we hope are not too far distant from us.

I want it clearly understood by all that the gentleman from Colorado now speaking does not intend to request funds to start construction of this great project until the fighting in Vietnam has been brought to a close. I promise my colleagues that if I remain in Congress I will not appear before appropriation committees asking for a start of construction for any of the projects authorized by this legislation until our expenditures for war have been greatly reduced.

This is not a new approach, may I say to my colleagues, because the most expensive of reclamation projects, which was coordinated with the most expensive of all Corps of Engineer projects, was authorized under similar conditions during the Second World War. I refer, of course, to the Missouri River Basin project authorized in 1944.

And here may I say to my colleagues that the project authorized by the 1944 act was not as well thought out, and the legislation not as orderly arrived at, as the legislation now before the Committee. Let us be ready so that the factories, fabricating plants, and the like, which are so essential to the welfare of our economy, may continue to operate for the building of a civilization rather than for its destruction.

Mr. Chairman, as we start our consideration of this important legislation, I would like to refer briefly to the importance to this Nation of these great water resources development programs. The dollars which this Nation has spent on water resources development, in my opinion, has been its wisest investment. These are programs which help build the Nation and strengthen its economy—programs which add wealth and will assure returns in the future which will repay their costs many times over. They also are programs which, from the short-range viewpoint, are available when needed to give the economy a "shot in the arm" and provide employment opportunities. They have a favorable impact on every segment of our economy—an impact that is felt in every part of our Nation.

I am sure that every Member of this body recognizes that if the economy of the United States is to continue to grow and prosper, there must be adequate supplies of good quality water available for our rapidly growing population, our expanding industry and for our agriculture. In the West, water has been the magic ingredient which has converted a once barren wasteland into the most prosperous and fastest growing segment of the United States. Except for seaport cities, virtually every major population center west of the 98th meridian has had its origin at the site of a water project, and every water resource development project is a nucleus of diversified economic development.

When Federal water programs were initiated in the early part of this century, water was plentiful all across our Nation, even in the West. The need was to put it to use. There were few conflicts in water use, and projects for the most part were single purpose. As water development moved forward and more and more of the available supplies were put to use, we adopted the basinwide concept for water planning, and multiple-purpose projects came into being. Plans were formulated on the basis of developing the water resources of the entire basin for serving all needed purposes, many of them simultaneously. The great water development programs in the Tennessee River Basin of the Southeast, the Missouri River Basin in the heartland of our Nation, the Columbia Basin in the Northwest, and the Central Valley of California are examples of what basinwide, comprehensive multiple-purpose development can mean to the economy of a region and the Nation. These massive developments required considerable Federal assistance and investment, but from all of them the rewards and benefits far exceed the costs, and their contribution to this Nation's economic strength is beyond measure.

As the water needs of our Nation continue to grow and water supplies, in relation to demands, are starting to dwindle, conflicts and problems are becoming more and more serious. We have come to recognize the need for an overall coordinated planning effort by not only the Federal Government and the States, but all segments of our economy, to provide for making the most efficient and wise use of the Nation's limited water supplies. To assist this effort, we enacted, a few years ago, the Water Resources Planning Act, and the procedures established in that legislation are to be followed in the water planning called for in the legislation we are considering today.

Mr. Chairman, we have now reached the point in water planning in this country where basinwide planning is not adequate to do the job. At least this is true in the West. One great river basin of our Nation is facing a critical water shortage, with the available supplies already overcommitted. This, of course, is the Colorado River Basin which is only partially developed and which is facing economic stagnation unless new sources of water can be found. The answer provided in H.R. 3300 is to extend the basinwide water planning concept to make it

a westwide concept. We need to examine all possible sources of water and all foreseeable water needs on a westwide basis and develop plans which will make the best possible use of all available water resources. The legislation before us today makes a start in this direction. It is the key to future water development in the entire western part of our country.

The Colorado River, of course, has been a river of trouble and controversy from the beginning of its development. It has been undependable, unruly, and wasteful because of the vagaries of nature. There has been controversy between individual water users, between and among the States of the basin, and between the upper basin and the lower basin. The major factor contributing to all this controversy has been the shortage of water, and the fact that the river has never produced the water expected of it. This has made it almost impossible to reach any lasting agreements.

In 1922, the States of the Colorado River Basin entered into a compact which divided the basin into two parts and apportioned waters between the upper division States—Colorado, New Mexico, Utah, and Wyoming—and the lower basin States—Arizona, California, and Nevada—waters which were then thought to be only a portion of the water that would be available from the Colorado River. There were 7½ million acre-feet apportioned to the upper basin and 8½ million acre-feet to the lower basin. Any right which Mexico later acquired to Colorado River water was to be supplied from water that was expected to be surplus to the 16 million acre-feet apportioned to the two basins. In addition, the compact commissioners reported, in 1923, that they expected to meet at some later date to divide the remainder of the surplus water. In contrast to the expected water supply from the river, the average annual virgin flow of the Colorado River at Lee Ferry—the dividing point between the two basins—since the compact was signed in 1922 has amounted to only 13.7 million acre-feet. The trend has been steadily downward and the forecast by some that there would be an upturn in the river flows has not materialized. With the compact, contracts, the Mexican Water Treaty—which was entered into in 1944—and the recent Supreme Court decision in Arizona against California all based upon the delivery of more water than will be available, you can readily understand why there has been continued controversy.

In 1948, the upper basin States entered into a compact dividing the upper basin water entitlement among the upper basin States, thus opening the way to upper basin development. In 1956, as many of you well recall, Congress passed the Colorado River Storage Project Act which authorized the construction of the Glen Canyon Dam and several other main-stream storage dams as well as several multiple-purpose water projects in the upper division States, and, thereby, initiated upper basin development on a large scale. Upper basin projects existing and authorized will consumptively use about 4.6 million acre-feet of water, still leaving a considerable portion of the

upper basin entitlement to be developed. In contrast, water in excess of the lower basin entitlement is already being used in the lower basin and Arizona is over-drawing its ground water to the tune of 2.5 million acre-feet annually.

The lower basin States were never able to reach any agreement on the lower basin entitlement and this eventually led to litigation and the Supreme Court decree in 1964 granting to Arizona its right to mainstream Colorado River water and to the renewal, immediately thereafter, of Arizona's efforts to build the central Arizona project. The history of the legislation we have before us today dates from that time.

Since 1964, there have been continuing negotiations among all of the States of the Colorado River Basin with respect to regional planning and legislation which would protect the rights and interests of all of the States. The final outcome of these prolonged and complex negotiations is the legislation we have before us today. None of the States agree with everything that is in H.R. 3300. There has been "give and take" on the part of each. However, this is legislation that all can live with, and it represents the highest degree of cooperation and understanding. We have the opportunity to bring the entire basin together and into closer agreement than ever before. There is the opportunity for Arizona to go forward with the central Arizona project which it so desperately needs, with the understanding that all of the States of the basin will work together to meet the prospective as well as the present critical water situation in the Pacific Southwest, including the entire Colorado River Basin. For the first time, there is an opportunity for real peace on the Colorado River.

Mr. Chairman, with this brief background, I am sure you can understand why this is probably one of the most important water resources development bills to emerge from my committee since I became chairman nearly 10 years ago.

The importance of this legislation stems not so much from the projects it will authorize at this time as from the actions and procedures which will be set in motion for saving, maintaining, and strengthening the economy of the Colorado River Basin and the entire Southwest, as I have indicated.

While others will discuss the provisions of H.R. 3300 in detail, I would like to refer briefly to the key provisions, particularly those that were controversial in the committee.

First. Since the key to the future of the Southwest is more water, the first matter with which H.R. 3300 deals concerns studies to find new sources. It faces up to the fact that the river is already overcommitted by providing for an immediate start on regional and westwide water resources planning to remedy the present and prospective water situation in the entire Colorado River Basin. The studies are to be conducted by the Secretary of the Interior working under criteria to be established by the Water Resources Council and in consultation with the affected States. As I have already indicated, water is the lifeblood of this area, and unless new sources can be

found, this thriving, prosperous, large segment of our Nation is, in my opinion, on a collision course with economic disaster.

These study provisions became a very controversial issue in the committee's consideration of this legislation, because representatives of the Northwest felt that their area was the target of the studies for new sources of water. This, of course, is understandable, since water flow records on the Columbia River show that more than 10 times the average annual flow of the Colorado River empties unused into the Pacific Ocean each year. Every attempt was made to allay the fears of the Northwest and make the legislation acceptable to the Northwest States. All that is provided for in this legislation are studies, and there is not going to be any study of importation from the Northwest, or any other area, until the water supplies available in the area concerned, and the future water needs thereof, have been thoroughly studied and a determination made as to any surplus supplies. Even then, any study of importation will be at reconnaissance level, and the Secretary cannot include in any report a recommendation for importation of water without the approval of the States affected. Should a plan be prepared for diversions into the Colorado River Basin, protection for the area of origin is included in the strongest language the committee could develop, which makes it certain that no future water need in an area of origin will ever be denied by reason of such diversion.

The purpose of title II is to assemble all of the relevant facts with respect to water availability and future water needs for all river basin draining into the Pacific Ocean, whether they are water-short areas or water-surplus areas. The schedule we have established for completion of the reconnaissance studies called for in this legislation allows full opportunity for consideration of the results of the present State and Federal studies which are being conducted in the Northwest.

In my opinion, the limitation of 2½ million acre-feet placed upon the feasibility study and report eliminates the Northwest from consideration so far as the feasibility study authorized in this legislation is concerned. However, we will know this only after the reconnaissance studies are completed. While I understand the concern of the Northwest States, I believe their fears are unjustified and that they are fully protected.

Second, H.R. 3300 gives assurance to the Colorado River Basin States that, at such time as new water becomes available in the basin, they will not have to relinquish water which they apportioned among themselves by compact in order to meet water deliveries to Mexico required by the Mexican Water Treaty. By making the Mexican Water Treaty burden a national obligation, this provision will correct an inequity resulting from the serious mistake in forecasting the availability of water, which I mentioned earlier, and from other factors which caused the United States to place na-

tional interests above the interests of the Colorado River Basin States. It should be made completely clear that this relief to the Colorado Basin States occurs only at such time as the river has been augmented, and that augmentation works cannot be built until they have been determined to be feasible and have been specifically authorized by the Congress. Any wild guesses which you may hear as to the cost of these augmentation works have no meaning at this time. That is why we need the studies—to determine the most economical means of augmentation. I can assure you that if the estimates of cost given in the dissenting views in the committee report—and I consider them completely unreasonable—turn out to be anywhere near correct, I shall never appear before you asking for the authorization of these works.

This provision relating to the Mexican Water Treaty was also controversial in the committee's consideration of H.R. 3300. There were those who felt that this constituted an unjustified shift in responsibility for making water deliveries to Mexico. The majority of the committee, however, after listening to the testimony and studying this matter, feel that there is justification for relieving the Colorado River Basin States of any obligation of meeting the Mexican Treaty water burden if such an obligation does, in fact, exist. This testimony and study clearly show that, first, the Mexican Water Treaty was based on a "mistake of fact"; that is, that delivery to Mexico of 1.5 million acre-feet of water would not decrease upper and lower basin apportionments of water; second, the treaty was based on the mistaken assumption that its fulfillment would not require the use of Lake Mead storage, when, in fact, treaty deliveries have first call on such storage; third, consideration of the Rio Grande and the Colorado Rivers together in the treaty negotiation worked to the detriment of the Colorado River Basin States; and, fourth, negotiations during wartime and just prior to the conference to organize the United Nations resulted in additional concessions by the United States.

Like all treaties, the Mexican Water Treaty is, of course, a national obligation. The principle here is no different from other treaties where the Federal Government has made huge payments to other countries in the interest of international comity or for benefits to U.S. citizens in specific areas. For example, the Columbia River Treaty provides for the payment by the United States to Canada of more than \$64 million as compensation to Canada for benefits which U.S. citizens in the Northwest will receive from construction on headwaters of the Columbia River and provides, in addition, for turning over to Canada huge amounts of electric power and energy generated in the United States and paid for by the American taxpayers. Numerous other treaties along this line were called to the attention of this committee. Clearly, the precedent has been established that the costs of fulfilling the Mexican Treaty are to be borne by all of the American taxpayers.

Both the Department of the Interior and the Bureau of the Budget have en-

dorsed this provision which makes the Mexican Water Treaty a national obligation, and the committee approved it as fair and equitable.

THE MEXICAN WATER TREATY

INTRODUCTION

During the hearings on H.R. 4671 of the 89th Congress in 1965-66 and on H.R. 3300 in 1967-68, the proposed subject legislation, the committee heard detailed testimony related to the effects of fulfilling the U.S. obligation under the Mexican Water Treaty—Treaty Series 994 (59 Stat. 1219)—from the water supply of the Colorado River system. At an early stage in the proceedings it became evident to the committee that questions associated with the delivery of Colorado River water to Mexico occupied a prominent position among constraints on future water resources development in both the Upper and Lower Colorado River Basins. There appear to be two major interrelated facets to the overall Mexican Treaty problem. One problem is the actually deficient water supply of the river in comparison with the supply thought to be available when the treaty was negotiated. The other problem is the unresolved dispute between the States of the upper and lower basins over accounting of consumptive uses of water from the Gila River in Arizona when computing amounts of water that must be supplied by the basin States to fill deficiencies in deliveries of water to Mexico in short water years. This issue was not resolved by the Supreme Court as between the upper basin and lower basin in Arizona against California. The committee believes that both facets of the Mexican Water Treaty problem could be solved partially by the Federal Government's assumption and implementation of the Mexican Treaty water burden as a national obligation and entirely by an adequate augmentation of the water supply of the Colorado River.

HISTORICAL

The 1944 Mexican Water Treaty is one of a series of international contracts between the United States of America and Mexico. The primary purpose of all of these treaties was to resolve problems related to a common border. All of the preceding treaties constitute integral parts of the background of the 1944 treaty. The earliest treaty with Mexico is now over 120 years old. It is the Treaty of Guadalupe-Hidalgo, February 2, 1848, which fixed the United States-Mexico boundary. Under this agreement U.S. citizens were granted free access to the Gulf of California via the Colorado River. Both countries were given rights of navigation in the Gila River and Rio Grande on the common border. Neither country could construct any works that might obstruct the rights of the other country.

The Gadsden Treaty, December 30, 1853, created a new boundary below the Gila River. Citizens of the United States were given free access to the Gulf of California via the Colorado River and mutual navigation rights on the common boundary portion of the Rio Grande were reaffirmed.

The Boundary Convention, November 12, 1884, limited the common navigation

rights to the "actually navigable main channels," and provided that the shifting river channel was not to alter the jurisdiction over the physical territory of the country to which it originally belonged.

The Convention of March 1, 1889, created the International Boundary Commission with jurisdiction over matters affecting the common water boundaries of the two countries.

The Convention of March 20, 1905 extended the authority of the Commission.

The Convention of 1906—Treaty Series 455 (34 Stat. 2493)—settled claims of Mexico concerning damages due to increased uses of water from the Rio Grande. This convention involved only the reach of the river upstream from Fort Quitman, Tex. Under it Mexico was given the right to 60,000 acre-feet of water per year at Mexican headgates as full settlement of its claims against the United States.

The above summary of activities of the United States and Mexico demonstrates the long history of national concern by both governments with respect to the settlement of mutual border problems—including the use of international waters. In all instances the problems were regarded by our country as national in character. Their resolution or fulfillment were not left to the individual States concerned.

The Mexican Water Treaty of 1944, by itself, has a rather extended and complex history. Not long after 1900 preliminary discussion took place concerning a water treaty to cover the Rio Grande downstream from Fort Quitman—hearings on treaty with Mexico relating to utilization of water of certain rivers, Senate Committee on Foreign Relations, 79th Congress, first session, 1945, page 1201. Subsequent to 1900 large blocks of irrigated land had been developed in the lower Rio Grande Valley within the United States. It was evident that optimum use of this river could not be attained without water storage and regulation in the lower valley. In 1924 the U.S. Congress enacted Public Law 118 of the 68th Congress—43 Stat. 118—which authorized a joint study of the Rio Grande. Mexico suggested that the Colorado River should be included in the joint study—House Document No. 359, 71st Congress, second session. On March 3, 1927, Congress passed Public Resolution No. 62, 69th Congress, authorizing the U.S. Commissioners to enter into studies with regard to the equitable division of the Rio Grande and the Colorado River. Authority was extended to include the Tijuana River. The Commission met, and each party presented its proposal. The American section submitted a report, published as House Document No. 359, 71st Congress, second session.

The desire on the part of Mexico to consider the Rio Grande and Colorado River together is readily understandable from Mexico's point of view. So far as the Rio Grande was concerned, the United States needed the consent of Mexico in order to regulate this river by reservoirs because of the common boundary and past agreements with respect to navigation. The United States had reached its practical limits of water

development without river regulation. The U.S. development was subject to the risks of flood damage and needed protection. Mexican streams furnished most of the water for the Rio Grande below Fort Quitman, Tex. Mexico could control the tributaries in Mexico and put their water to use. Increased Mexican uses of water could damage the U.S. water users. In other words, Mexico was in the control position so far as the Rio Grande was concerned.

For Mexico in 1928 the Colorado River presented a different picture. The water supply for Mexico came entirely from the United States. Development in Mexico had largely resulted from the Imperial Irrigation District's use of the Alamo Canal as a means of supply for its land in the United States. In order to secure the right-of-way through Mexico, a complex arrangement was secured whereby Mexican lands could use as much as one-half of the water carried through Mexico. Mexico also benefited from the flood protection provided by Imperial's system of protective works.

For many years there had been discussion of an all-American canal to supply Imperial Valley in the United States. In 1918 the Secretary of the Interior had appointed a board of three men to investigate the matter of the all-American canal and related problems. This Board filed a report entitled "Report of the All-American Canal Board." Part of the recommendation of this Board was the construction of an all-American canal to deliver water to American lands and a storage reservoir as a flood control measure. In 1920, Congress enacted the Kinkaid Act—act of May 18, 1920, 41 Stat. 600—which authorized a study of the "Problems of Imperial Valley and Vicinity." From this study came the Fall-Davis Report—Senate Document No. 142, 67th Congress, 2d session. This report also recommended an All-American Canal and a storage dam on the Colorado to control the floods which menaced the lower reaches of the Colorado River.

In 1922 the Colorado River Compact was negotiated by the seven Colorado River Basin States. Recognizing that a treaty between the United States and Mexico must some day be formulated, the signatories of this compact included the following language in article III(c) of their agreement:

If, as a matter of international comity, the United States of America shall hereafter recognize in the United States of Mexico any right to the use of any waters of the Colorado River System, such waters shall be supplied first from the waters which are surplus over and above the aggregate of the quantities specified in paragraphs (a) and (b); and if such surplus shall prove insufficient for this purpose, then, the burden of such deficiency shall be equally borne by the Upper Basin and the Lower Basin, and whenever necessary the States of the Upper Division shall deliver at Lee Ferry water to supply one-half of the deficiency so recognized in addition to that provided in paragraph (d).

During this same period the Boulder Canyon Project Act bills were before Congress. This legislation included the authorization of a high dam on the Colorado River. In 1928 it was enacted into

law—Boulder Canyon Project Act, 45 Stat. 1057.

Mexico was aware of activities taking place in the United States which would make possible the expansion of water uses and river control. The United States was in an advantageous bargaining position so far as the Colorado River was concerned.

The International Water Commission accomplished little except collect data. It was abolished by the Economy Act of 1932 and its functions transferred to the International Boundary Commission. This Commission continued to study the common border water problems—Senate Executive Report No. 2, 79th Congress, 1st session, page 2. In 1935 Congress authorized further study, in cooperation with Mexico, of the possibilities of a treaty.

Subsequent to 1935 the State Department continued to study the border water problems. Discussions were had with water interests in the Colorado River Basin through the Committees of 14 and 16, "semiofficial" groups composed of representatives of the seven basin States—Senate Executive Report No. 2, *supra*.

The negotiators on the Colorado River were confronted with a different type of problem; namely, a completed Hoover Dam. Releases of water for power production caused a well-regulated flow below Hoover Dam. In the 1930's and 1940's the water users in the United States could not absorb the water released at Hoover Dam; thus a large quantity of water was spilling to Mexico. Mexico was in a position to use this water. It appeared that lower basin development in the United States would not be in a position to use all water released from Lake Mead for some time. It was feared that Mexico would create rights by use and at some future date could claim in an arbitration suit that these water uses should be protected.

The 1944 Mexican Water Treaty was the culmination of the preparation, studies, and negotiations summarized above. The agreement has the essence of an international contract. All activities with reference to the treaty were at a national level.

THE MEXICAN TREATY BURDEN ON THE COLORADO RIVER

The first mortgage on the Colorado River water supply is the burden of fulfilling the requirements of the Mexican Water Treaty. Basically, the Colorado River part of the treaty guarantees to Mexico an annual delivery of 1,500,000 acre-feet of water under a predetermined schedule. This guaranteed water has to be delivered in the limitrophe section of the Colorado River with certain exceptions, and is from "waters of said river," whatever their origin. There is provision for an increased delivery to Mexico if sufficient water is available.

Students of the Mexican Water Treaty have marshaled a rather convincing array of authority in the form of excerpts from diplomatic correspondence, recently released by the State Department, which demonstrates that there was a trade of Colorado River water to Mexico in return for an increased amount of water from the Rio Grande for use in the United

States. In the light of evidence now available it appears that there was, at least from the point of view of Mexico, a trade; although a representative of the U.S. section of the International Boundary Commission testified that no such trade was made. Certainly the Colorado River portion of the Mexican Water Treaty was not considered as an independent item in the relations between the United States and Mexico. It is clear that the settlement of the water issues by this treaty was only one part of a package plan to settle international problems which existed between the United States and Mexico at the time.

Under the present water supply situation it is difficult to understand how there could be an agreement to grant such a quantity of water as 1,500,000 acre-feet per annum to Mexico. The facts pertaining to water availability appeared different in 1944. The hydrologic studies at that time demonstrated a greater water supply than has proved to be existent—page 75, hearings, Senate Committee on Foreign Relations, 79th Congress, 1st session, "Treaty With Mexico Relating to the Utilization of the Waters of Certain Rivers, Part I." Also, note under the section of this report on "Water Supply" that figures 1 and 2 clearly picture the persisting decline in water yield of the Colorado River during the past 34 years.

According to the discussions that are reported in House Document No. 359, 71st Congress, 2d session, Mexico originally claimed a right to 4.5 million acre-feet of water per year from the Colorado River. This was later scaled downward to 3.6 million acre-feet per year. The United States had offered 750,000 acre-feet plus an additional amount to compensate for main canal losses. In addition, Mexico would receive the return flows from the U.S. border projects, as in the Yuma area—pages 45 and 46 of House Document No. 359, supra, and page 82, treaty hearings, supra. It was argued that actually the 1.5 million acre-feet from any and all sources was a better deal for the United States than the original offer of 750,000 acre-feet plus main canal losses and return flows of the original offer.

The committee learned from testimony of H.R. 4671 of the 89th Congress that at the Mexican Treaty hearings witnesses asserted that to guarantee 1,500,000 acre-feet per year in perpetuity to Mexico would create bankruptcy in the water supply of the Colorado River. This was denied by the State Department; but memorandums released 20 years later confirm the fact that the United States stated that any delivery of water to Mexico in excess of about 1,100,000 acre-feet would automatically create a shortage in the United States. Notwithstanding this admission, the U.S. Senate ratified the treaty guaranteeing 1,500,000 acre-feet per year to Mexico, which, in effect, was a national commitment of water to Mexico, the use of which had already been apportioned by interstate compact, with the consent of the Congress, to the upper and lower division States of the Colorado River Basin. It was probably for overriding foreign policy reasons in a critical wartime setting, in the context of both a Colorado River and Rio Grande dispute with Mexico, and on

the basis of an overestimated water supply that the United States permitted such a large amount of water to be perpetually dedicated for delivery to Mexico.

The impact of the Colorado River part of the Mexican Treaty burden is acute, drastic, and seriously adverse to the water resource development of seven sovereign States. It is a rigid constraint upon the economy of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, and ultimately upon the economy and social welfare of the Nation. There can be no dispute that the perpetual payments on this "first water mortgage" between two respected nations must be met. The water deliveries to Mexico resulted from an international agreement. The terms of this agreement must be filled by the United States. The seven basin States, as well as the other 43 United States, would have it no other way. Furthermore, at this point in history there is nothing to gain by arguing that the quantities of water granted to Mexico from the Colorado River were excessive. Our good neighbor to the south, too, could use many thousands of acre-feet of additional water, if she could obtain it reasonably.

The hearings in the U.S. Senate are replete with evidence that this treaty is of national and international status as contrasted with a regional, or individual State's problem. At the time the treaty was before the Senate the statement by the Secretary of State recognized clearly the national character of the responsibility involved. For instance, at page 20 of the hearing, supra, he stated:

It seemed to us to be in keeping with our democratic institutions and procedures that the representatives of the communities most vitally concerned should be consulted with respect to these matters, despite the fact that these questions are also of large national and international significance. (Emphasis supplied.)

From its historical background, from the nature of pretreaty negotiations, from hearings on the treaty in the Senate, and from the manner in which it is administered, it is obvious that the Colorado River water burden is a national obligation—not the obligation of the seven basin States. The treaty was entered into by the United States on behalf of all its citizens. The benefits of the treaty are national in character, made possible only by the sacrifices of water of the seven Colorado River Basin States. These States receive no tangible benefits from the treaty in the form of water supply, power generation, navigation, flood control and so forth. On the contrary, their sacrifices of water caused many tangible benefits to accrue to the States of the Rio Grande Basin, as well as to Mexico.

RESPONSIBILITY FOR WATER BURDEN OF MEXICAN TREATY

The committee is convinced that the Mexican Water Treaty, like all other treaties between the United States and another country, is an international agreement for which the citizens of all 50 States must bear the national responsibility. This premise is well established both by direct documentation and by precedent. The real question is how this national responsibility should be met. The committee believes that the time has

come for this water delivery burden to Mexico to be shifted from the backs of seven children to the entire family—from the seven Colorado River Basin States to the United States as a nation. Sections 202 and 401 of H.R. 3300 constitute an initiation of the policy of making the deliveries of water required by the Mexican Water Treaty a national responsibility, as it should be.

Section 202 of the pending bill says:

The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of this Act and authorized by the Congress. Accordingly, the States of the Upper Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which may have been imposed upon them by article III (c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican Water Treaty together with any losses of water associated with the performance of that treaty.

The above-quoted language clearly expresses the intent of the Congress to resolve the problems associated with the deliveries to Mexico of Colorado River water required by treaty. This is done by earmarking the first increments of any water developed by an augmentation program for relief of the Mexican Treaty burden now plaguing the Colorado River Basin States. More specifically:

First. Section 202 is a declaration by the Congress that the obligation to deliver the 1944 Mexican Treaty water should be a responsibility of all 50 States, and not a burden on only seven.

Second. It supplements article 12(b) of the treaty which provides:

The United States, within a period of five years from the date of the entry into force of this Treaty, shall construct in its own territory and at its expense, and thereafter operate and maintain at its expense, the Davis storage dam and reservoir, a part of the capacity of which shall be used to make possible the regulation at the boundary of the waters to be delivered to Mexico in accordance with the provisions of Article 15 of this Treaty. (Emphasis supplied.)

Third. It requires that water to serve the treaty deliveries shall be "the first obligation of any water augmentation project authorized by the Congress."

Fourth. Under certain specified conditions it relieves the Colorado River Basin States "from all obligations which may have been imposed upon them by article III(c) of the Colorado River compact."

Fifth. Complete relief of the basin States is conditioned upon a determination by the Secretary of the Interior that an augmentation program would be in operation adequate to supply Mexico's treaty entitlement to Colorado River water. The pertinent language of section 401 of H.R. 3300 is:

Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water

Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be nonreimbursable.

This sentence extends the intent of the Congress to include the costs of construction, operation and maintenance of facilities necessary to replace Colorado River water that is delivered to Mexico as a charge to be paid by taxpayers in all 50 States. This procedure would be in conformity with that used to meet commitments under other portions of the Mexican Water Treaty involving both the Rio Grande and Colorado River, and with other international treaties concerned with international water problems.

The principle of nonreimbursability to provide 1.5 million acre-feet of augmented water to supply the Mexican Treaty requirements has been recognized officially by the Bureau of the Budget. In a letter dated May 10, 1967 to the chairman of the Senate Committee on Interior and Insular Affairs, the Deputy Director of the Bureau of the Budget commenting on S. 1019 and similar bills predecessor to H.R. 3300 stated:

The Bureau does recognize, however, that one of the important demands on the river is to provide water necessary to meet commitments made by the U.S. Government to the Republic of Mexico in the treaty of 1944. Should the Congress decide that the situation is unique, we believe that the price guarantee should be further limited to not more than 1.5 million acre-feet of water annually, the amount required to meet the U.S. treaty obligation. With this proviso, the chances would appear minimal, based on Department of the Interior estimates, that any imported water would have to carry a price higher than main stream water—at least in the period through year 2030.

The effect of the above-quoted paragraph was the approval of language in the bill that would have permitted the supplying of water to Colorado River water users, limited to 1,500,000 acre-feet annually to meet the Mexican Treaty commitments, at prices to Colorado River water users that would not include the cost of importation—augmentation.

The Department of the Interior in 1965 recognized and approved this same principle of supplying water for replenishment of the depletions caused by the Mexican Treaty burden at prices that would not reflect costs of importation. The Department in its comments approved, as an alternative, a nonreimbursable allocation to replenishment of deficiencies in water supply caused by Mexican Treaty deliveries. The Secretary of the Interior in a letter dated May 17, 1965, to the Honorable WAYNE N. ASPINALL, chairman of this committee, commenting on H.R. 4671 and similar House bills precedent to the pending legislation, stated:

The Bureau (of the Budget) recognizes that the Mexican Treaty imposes an important demand on the Colorado River and it suggests that if the Congress decides that the situation in the Lower Colorado River Basin is unique, the price guarantee in the pending legislation should be limited to the importation of not more than 1,500,000 acre-feet of water per annum, with the costs being met from the development fund. A cost

guarantee of up to 1,500,000 acre-feet per annum would, as the Bureau of the Budget points out, make minimal the chances that any imported water would carry a price higher than main stream water, at least through the year 2030.

An alternative approach, of course, to assure the maintenance of main stream prices for not to exceed 1,500,000 acre-feet of imported water per annum would be to retain the nonreimbursable allocation, now provided for in section 402 (of H.R. 4671) to replenishment of deficiencies in main stream water occasioned by Mexican Treaty deliveries, with the limitation that the nonreimbursable costs be limited to those associated with the importation of not to exceed 1,500,000 acre-feet for replenishment purposes. In the Bureau of the Budget's view this alternative, too, would be applicable if the Congress considered the Lower Colorado River situation unique.

The effect of the comments by the Department would have been to make the commitment to deliver water to Mexico under the 1944 treaty a national obligation with the costs of augmenting the Colorado River water supply to the extent necessary to meet the treaty requirements nonreimbursable. This is almost exactly what enactment of title II and section 401 of H.R. 3300 would accomplish.

It should be observed that H.R. 3300 does not authorize the appropriation of any moneys for the purpose of relieving the basin States of the Mexican Treaty water delivery requirement through a water supply augmentation program. This legislation does authorize studies of methods of augmenting the river and expresses the intent of the Congress that the first increments of water resulting from any form of augmentation shall be used to meet the treaty commitment to deliver water to Mexico as a national responsibility.

PRECEDENT TREATIES INVOLVING INTERNATIONAL WATERS

The concept of providing that the costs of meeting treaty requirements should be borne by the Nation as a whole is not new. In fact, this is the general practice, even where international waters are concerned, with the water delivery from the Colorado River to Mexico being an exception, an exception that is completely unwarranted on such a water deficient river system and that can and should be corrected as soon as possible.

The following examples are cited as precedents involving international waters under which the United States has assumed the financial responsibility as a national obligation.

First. The most cogent argument for assuming the cost of augmenting the Colorado River water supply to replace water that must be delivered to Mexico can be found in the Mexican Water Treaty itself. So far as the Rio Grande is concerned, the obligations assumed by the United States with respect to the construction of the necessary control structures were national obligations. Article 5 of the treaty provides for the construction and cost allocations between the two National Governments of the necessary agreed-upon dams. Article 6 provides for further studies of other future construction that may be agreed upon by the two Governments, and costs are made the national obligations of the

two Governments. Falcon Dam and Armistad Dam were both built on the Rio Grande under terms of the Mexican Water Treaty. Also note that Davis Dam on the Colorado River is used for meeting the Mexican Treaty obligation. Its costs, so far as regulation of the river for delivery of treaty water is concerned, was assumed as a national obligation.

Second. Painted Rock Dam on the Gila River was completed in 1959. It was justified as a nonreimbursable project because its construction was important to the operation of the treaty.

Third. As further evidence of congressional recognition of the Mexican Water Treaty as a national obligation, Congress in 1965, faced by Mexican complaints over the quality of Colorado River water delivered to her under terms of the treaty, authorized the construction of works to preserve the quality of releases to Mexico. The costs of constructing and operating these works were made nonreimbursable, and thus the responsibility of all taxpayers.

Fourth. In 1925 the United States entered into a convention with Canada concerning the Lake of the Woods—Treaty Series 721 (44 Stat. 2108). This treaty and its protocol became effective February 17, 1925. In this treaty Canada was seeking to raise the Lake of the Woods' level for power production. Article VIII of the treaty provides for the securing of flowage rights to a specified elevation. The United States assumed the liability to all U.S. owners for needed land. Further, the United States was to provide the necessary protection works to make effective the raising of the level of the Lake of the Woods.

Article X provided that Canada was to pay the United States the sum of \$275,000 to cover the expenses which the United States would incur under the said article VIII. If this sum proved insufficient Canada was to bear only one-half any deficiency, provided the additional expenses were incurred within 5 years. It is obvious from this treaty that the United States assumed as a national obligation all expenses of purchasing needed U.S. land and one-half of any expenses for protective works in excess of \$275,000.

Fifth. In the Niagara Water Treaty of 1960—1 U.S. Treaties and Other International Acts, page 695—dealing with the remedial works necessary to preserve the Niagara River, article II provides:

The total cost of the works shall be divided equally between the United States of America and Canada.

Sixth. Under the Rio Grande Convention of 1906—Treaty Series 455 (34 Stat. 2953)—this treaty being the one which granted Mexico 60,000 acre-feet of water from the Elephant Butte Reservoir, by the act of March 4, 1907—34 Stat. 1295—the United States appropriated \$1 million "toward the construction of a dam for storing and delivering 60,000 acre-feet annually in the bed of the Rio Grande at points where the headworks of the Acequia Madre now exists above the City of Juarez, Mexico." The treaty also provides:

The said delivery shall be made without cost to Mexico, and the United States agrees to pay the whole cost of storing the said

quantity of water to be delivered to Mexico, of conveying the same to the international line, of measuring the said water, and of delivering it in the river bed above the head of the Mexican Canal.

Seventh. In 1933 the United States entered into the Rio Grande Convention—Treaty Series 864 (48 Stat. 1621). The purpose of this convention was to provide for rectification of the channel of the Rio Grande below Elephant Butte Reservoir. In this convention, article III, the cost of the works was prorated between the two governments in the following percentages: United States 88 percent and Mexico 12 percent.

Eighth. Under minute No. 129 of the International Boundary Commission—43 Stat. 1628—the cost which was estimated to be appropriated to the United States was \$4,340,424. This particular minute also recommended the construction of Caballo Dam below the Elephant Butte Dam as a part of the flood control measures necessary in this rectification program. The United States constructed this dam with an enlarged capacity, part of which was to be for reclamation purposes. In the Reclamation Repayments and Payout Schedules, 1902–1957, there is indication that at least \$1,500,000 was transferred to the Department of the Interior from the State Department as a nonreimbursable allotment to aid in the construction of Caballo Dam.

Ninth. The Columbia River Treaty—15 U.S. Treaties and Other International Agreements, page 1555—provides in article VI for the payment by the United States to Canada of \$64,400,000 as compensation to Canada for flood control benefits which the United States would receive from the construction of dams in Canada on the headwaters of the Columbia River. In addition, the protocol attached to this treaty, paragraph 11, provides for an increased payment to Canada for these flood control works should it be determined that benefits would result to the United States for a longer period than that set out in the treaty.

CONCLUSIONS, MEXICAN TREATY ISSUE

After hearing the testimony of both Federal and non-Federal witnesses on the subject and considering the problems associated with the delivery of water from the Colorado River to México the committee concluded that:

The Mexican Water Treaty was ratified by the U.S. Senate as the result of testimony by Federal experts that the water granted to Mexico would be supplied from surpluses not previously apportioned by interstate compact, with the consent of the Congress, among the Colorado River Basin States. Time has shown that the natural supply of the Colorado River is much less than Federal experts predicted in the early 1940's. The demands of the treaty cannot be filled from the natural supply of the river without significantly reducing the supplies apportioned to the seven States.

One of the principal reasons for initiating a study of methods of augmentation of the water supply of the Colorado River is the fact that the Mexican Treaty water deliveries are a drain upon the supply and have resulted in shortages in water supplies needed by basin States.

The Colorado River Basin States are entitled to be on a more equal basis with States on the Rio Grande where controversy was also settled by the Mexican Water Treaty. There is no real difference between paying for the construction, operation, and maintenance of necessary water control structures as national obligations under a treaty and assuming the costs of assuring a physical water supply under the same treaty through a water supply augmentation program as provided in H.R. 3300. In the case of Rio Grande, the construction was for the purpose of assuring a more adequate water supply and protection against floods to insure future development of the river basin. For the Colorado River the national obligation, that is to be assumed is to assure the anticipated water and related resources development of the seven basin States.

If the problems associated with the delivery of water to Mexico can be resolved through a water supply augmentation program on a nonreimbursable basis future litigation between the upper and lower basin States can be avoided.

Unless the water supply is augmented at least to the extent of filling the Mexican Treaty requirements and losses incident thereto, the central Arizona project will suffer severe water shortages, possibly as early as 1990, due to the priority for 4.4 million acre-feet of lower basin water granted to California by H.R. 3300.

The United States—not the basin States—in 1944 made the treaty with Mexico. The United States agreed to construct and operate the necessary facilities on the Rio Grande and Colorado River “at its expense” to meet the Mexican Treaty burden. If in the future the United States can fulfill its treaty commitment only by curtailing deliveries of Colorado River water already allocated by compacts or court decisions to the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming—then the United States, as a national policy, should be responsible for augmenting the water supply to the extent of the Mexican Treaty deliveries. Equity requires such action by the Federal Government.

The time has arrived for the Nation to assume the responsibility for the Mexican Treaty water burden on the Colorado River. A first step in this direction is the enactment of sections 202 and 401 of H.R. 3300 which express the intent of the Congress to make the responsibility a national obligation with the cost thereof to be paid by the United States. This policy has ample precedent and is in the best interests of the Nation, the region, and the States.

H.R. 3300 authorizes additional development in both the Lower and Upper Colorado River Basins. In the lower basin, it authorizes the central Arizona project, which will be discussed in detail by others. The controversial Colorado River dams have been eliminated from the plan at this time and the stretch of the river between Hoover Dam and Glen Canyon Dam has been removed from the jurisdiction of the Federal Power Commission, thus reserving any decision with respect to possible further water development for later action of the Congress.

These dams were originally proposed by the administration, and when the administration reversed its position, the committee removed them from further consideration.

The Hooker Dam project is included in this legislation to provide the storage necessary for downstream flood protection on the Gila River, and to permit New Mexico to use at least 18,000 acre-feet of water pursuant to its agreement with Arizona. The present Hooker Dam plan is based on reconnaissance studies many years old. The studies need to be updated, giving consideration to all new and pertinent information. The flexibility needed for modifying the plan on the basis of the further studies is provided by the inclusion in the legislation of the words “or suitable alternative” following the language which authorizes Hooker Dam and Reservoir. In restudying this feature, the Secretary should give consideration to all the usual factors that go into determining the most feasible development.

H.R. 3300 provides a statutory formula to cope with the years of water shortages on the Colorado River. Under this formula, California water users will be given a priority to 4.4 million acre-feet of water ahead of deliveries of main stream water to the central Arizona project. It should be pointed out, however, that California is presently using about 5.1 million acre-feet and California will have to bear the first cut-back in water use. This limitation on diversions by the central Arizona project would be inoperative in any year in which the lower Colorado River has sufficient water to supply the Mexican Water Treaty entitlement plus 7.5 million acre-feet annually for consumptive use from the mainstream in Arizona, California, and Nevada.

The matter of water deliveries in the lower basin in water-short years is a problem which the Supreme Court turned over to the Secretary of the Interior. The formula which the committee has developed and written into this legislation resolves this troublesome problem. This matter, of course, was very controversial between Arizona and California. However, the formula which has been developed has been agreed to by representatives of both States.

To help finance the central Arizona project, the previously authorized Dixie project, and future augmentation works, H.R. 3300 provides for establishing a development fund. The revenue sources for this fund, in addition to the central Arizona project and the Dixie project, are the Hoover and Parker-Davis projects and the Pacific Northwest-Pacific Southwest power intertie.

The upper basin projects included in H.R. 3300 for authorization are the Animas-La Plata project in Colorado and New Mexico and the Dolores, Dallas Creek, West Divide, and San Miguel projects, in Colorado. These five projects, taken together, are estimated to cost \$392 million. They are all multiple-purpose projects for irrigation, municipal and industrial water supply, flood control, recreation, and fish and wildlife enhancement. They have all been determined to be economically and physically feasible and much-needed in the

areas which they will serve. All five projects have favorable benefit-cost ratios with the composite benefit-cost ratio for the five projects combined determined to be 1.68 to 1. These upper basin projects will be financed through Colorado's entitlement from the Upper Colorado River Basin fund established in 1956 by the Colorado River Storage Project Act.

ANIMAS-LA PLATA PROJECT

A dependable water supply is the most urgent need of the Animas-LaPlata project area. It is essential to expansion of the irrigated area, to stabilization of agriculture on the presently irrigated area, and to the continuing development of other resources. Because of the great seasonal and yearly fluctuations in river flow, the additional water needed can be obtained only through construction of regulatory reservoirs.

Practically all the land now irrigated is in need of supplemental water in the late growing season. Good quality lands without irrigation are idle or, under dry farming, are producing only a small part of their potential. Dry farming is a speculative venture and many man-years of low rainfall investments in dry farming are almost totally lost. Because of shortages of feed, the livestock industry on which much of the area is economically dependent is at a standstill. With the limited crop production winter feeds are in short supply and national forest and Taylor grazing lands are used to capacity. High transportation costs make it impractical to import additional feed into the area. Many farmers work off the farm part time to supplement their income. As a result, a growing number of small farms are inefficiently operated.

When the Animas-La Plata plan was developed in 1962, the project was designed to serve primarily irrigation needs. However, in the period since the 1962 plan was formulated, a need for larger quantities of municipal and industrial water in an area serviceable by the project has become evident. Interest in obtaining water has been expressed by a number of New Mexico communities extending from Aztec on the Animas River through Farmington at the junction of the Animas and San Juan Rivers and downstream along the San Juan River through Kirtland, Fruitland, Waterflow, and Shiprock. Farmington plans to extend its municipal water system to include these downstream communities. Active interest has also been shown in obtaining water for uses associated with development of the extensive bituminous coal deposits underlying large areas of the La Plata River Basin and the adjacent Mancos River Basin to the west. The Peabody Coal Co. and the Pittsburgh and Midway Coal Mining Co. are separately exploring the feasibility of a large coal-fueled powerplant that would utilize coal from the La Plata coalfield near the Colorado-New Mexico State line. The Peabody Coal Co., has expressed an interest in obtaining 30,000 acre-feet of water annually for cooling purposes at that location. Any development there would involve lands owned by the Southern Ute Indian Tribe. The Ute Mountain Indian Tribe has coal deposits on its

lands in Colorado in the service area of the Animas-La Plata project. Other potential needs for municipal and industrial water in the project area are associated with natural gas, oil, and other mineral resources recreational attractions, and the trend toward more intensive farming in the raising of vegetables and fruit in the New Mexico portion of the area and dairying in the Colorado portion.

The 1962 project plan for the Animas-LaPlata project has been modified to meet the growing requirements for municipal and industrial water.

The estimated cost of the project is \$115,880,000. It is economically and physically feasible with a benefit-cost ratio of 1.64 to 1.

THE DOLORES PROJECT

A dependable water supply through development of additional storage regulation is the most urgent need for continued growth of the Dolores project area. The water demands cannot be met by direct flows and the limited storage supplies presently available.

Additional irrigation water supplies are needed to stabilize and expand agricultural development. Lands in the Dove Creek area, which are now dry-farmed, produce only a part of their full potential because of the farmers' dependence on rainfall for moisture. In years of adequate rainfall, yields are good and the farmers prosper, yet in years of drought, which frequently occur, the lands produce barely enough to offset farming expenses. Although much of the Montezuma Valley area is irrigated, the irrigation supply fails to meet requirements and sufficient feeds are not available for the livestock industry. In the Towaoc area, a part of the Ute Mountain Indian Reservation, the sage-covered lands are usable only for sparse grazing. Indians on the reservation are forced to hire non-Indian operators in adjacent areas to raise much of their livestock feed supply.

Communities in the project area, particularly Dove Creek and Cortez, anticipate a need for additional water for future growth. Dove Creek's present supply is excessively costly because of high-head pumping involved in securing water from the Dolores River, and any development of additional supplies without project development would be equally as expensive. Without the Dolores project, it will be necessary for Cortez to acquire water which is currently used for irrigation and to construct storage facilities. Not only would such action be costly to the city but it would take valuable agricultural land out of production.

The estimated cost of the Dolores project is \$53,850,000. It is economically and physically feasible with a benefit-cost ratio of 1.72 to 1.

THE DALLAS CREEK PROJECT

In the Dallas Creek project irrigation service area there is an urgent need for additional and dependable irrigation supplies to improve and stabilize the economy of the farmers and of related service industries. At the present time the late-season water shortages on irrigated lands commonly result in crop failures. Dryland farming is practiced to a limited

extent but results are uncertain. Large acreages of land once cleared for dry farming at considerable expense are no longer farmed because of frequent crop failures due primarily to insufficient rainfall. Decreases in grazing privileges on public lands in recent years have adversely affected some livestock operations and increased the need for more farm-grown feed. Many of the farmers have depressed living standards because of limited agricultural production.

Additional municipal and industrial water is needed to meet existing and anticipated needs of local communities and to provide a safe and convenient supply for surrounding rural areas. The need for additional water in the communities is accentuated by the population growth anticipated for them in the years ahead. The already important recreational attractions of the area will soon be greatly increased with completion of the Curecanti unit of the Colorado River storage project. Local industrial development also is expected to be stimulated by electric power from the Curecanti unit and other units of the storage project. Growth in the area will almost certainly result from the new power operations center at Montrose, Colo. Development of the authorized Fruitland Mesa and Bostwick Park projects and of the Dallas Creek project itself, if authorized, would increase agriculture and would improve recreational and fish and wildlife attractions, further stimulating growth of the general area.

Control of floodlands of the Uncompahgre River is needed to prevent the inundation of farmlands and frequent channel changes that now occur during the spring snowmelt period and during heavy rainstorms which usually occur in the late summer.

The estimated cost of the Dallas Creek project is \$42,310,000. It is economically and physically feasible with a benefit-cost ratio of 1.70 to 1.

THE WEST DIVIDE PROJECT

Additional water is the most urgent need of the project area, both for agriculture and as a reserve for municipal and industrial use.

Because of inadequate irrigation supplies, agriculture incomes in the project irrigation service area on the south side of the Colorado River are unstable and many farm operations are marginal. Less than half of the arable lands are irrigated. Even lands with high-priority water rights often have late-season water shortages and lands with low-priority water rights receive almost no irrigation water in drought years. Recent decreases in grazing permits on public lands have aggravated the agricultural problems and forced a number of farmers to reduce their livestock herds and sell or abandon their farms. An increased supply of irrigation water made dependable by reservoir storage, such as would be provided by the West Divide project, would alleviate the farm problems and provide a base for an expanded and more prosperous agriculture.

Important as is the need for irrigation water, an even greater need appears to exist for municipal and industrial water in connection with the oil shale poten-

tialities. Large water reserves are essential to the processing of the shale oil on a commercial basis and to the establishment of urban complexes to support the large influx of industrial workers and their families that would necessarily accompany the industrial development. Municipal water also is urgently needed to support suburban and recreational areas rapidly expanding in the eastern portion of the project area southward from Glenwood Springs and in the vicinity of Redstone, Colo.

The estimated cost of the project is \$106,580,000. It is economically and physically feasible with a benefit-cost ratio of 1.86 to 1.

THE SAN MIGUEL PROJECT

An expansion of the agricultural base is urgently needed to offset the fluctuating and currently depressing effects of the mining industry on the general economy of the San Miguel Project area. New agricultural development would create new settlement opportunities, more work on existing farms, and employment in related service industries. Such development would be a boon to the area's younger generation seeking job opportunities and to many now in the labor force with uncertain futures in the mining industry.

Improved control of San Miguel River flows is desirable to firm the water supply for industrial expansion and associated municipal water needs. Interest has been shown in obtaining regulated water supplies near the Nucla coal reserves to stabilize and expand present operations to meet continuously increasing power requirements. Interest has also been expressed in the establishment of a wood pulp or pulp and paper mill to utilize the products of nearby forests. Development of the area's potash reserves and the use of water in secondary oil and gas recovery operations represent other potential water needs.

The growing number of tourists in the project area is creating a need for water recreation areas such as would be provided by the San Miguel project. Reservoir areas would help fill the demand for fishing, picnicking, and other outdoor recreational opportunities.

The estimated cost of the project is \$73,140,000. It is economically and physically feasible with a benefit-cost ratio of 1.42 to 1.

One final matter with which H.R. 3300 deals relates to operation of Federal works on the river—particularly at Glen Canyon Dam and Hoover Dam. Operating criteria are to be established which assure equitable treatment of all seven States of the basin now and in the future. In the preparation of the reservoir operating criteria, and in their execution, certain priorities shall govern the storage of water in reservoirs of the Colorado River storage project and releases of water to the lower basin at Glen Canyon Dam.

The language expressed in title VI constitutes a fair and reasonable solution to the problem of protecting the future water resources development of the four upper division States, and also providing for the use of the water in the lower division States until the water is required

upstream. This should result in the greatest beneficial use of the available water.

This language clearly protects the rights of the upper basin to the consumptive use of water apportioned to it from the Colorado River system by the Colorado River Compact against any claims to the use of that water over either a short term or long term by water users in the Lower Colorado River Basin.

Mr. Chairman, while the \$1.286 billion, which is the estimated cost of all the projects in H.R. 3300, is a high price tag. I want to point out that \$1.156 billion, or 90 percent, will be repaid. I also want to point out that this is a long-range program—10 to 15 years or more—and that the fund needs in the first few years will be relatively small.

Mr. Chairman, I recognize full well the fiscal crisis which this Nation is experiencing at the present time. However, I don't believe this should be considered a serious obstacle to the authorization we are requesting. Only relative small amounts, starting with around half a million dollars will be needed for the studies, costing in total only about \$10 million, and, as already indicated, the early funding needs for the projects, if it is possible to start them, will be small. In addition, even if delays in construction are necessary, the existence of authorizations such as this is the best means of picking up the slack in the economy when there is a cessation of hostilities and the economy begins to sag. The understandings that are embodied in this legislation and the procedures that will be set in motion by its enactment are so very important that this legislation must not be held up for economic reasons.

In closing my statement, Mr. Chairman, let me quote the late Senator Bob Kerr:

Prosperity does not really come from our automobile factories, steel plants, railroads, and other elements of our industrial processes. Prosperity comes instead from the land, the woods, and the waters of this land.

I urge my colleagues to support this important and far-reaching legislation.

Mr. SAYLOR. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I rise in opposition to H.R. 3300, a bill to authorize the construction, operation, and maintenance of the Colorado River Basin project, as amended and reported by the House Committee on Interior and Insular Affairs.

I am opposed to the bill because the approach of this legislation goes far beyond what is justifiable, necessary, and reasonable at this point in the development of the water resources of the Colorado River. The approach of H.R. 3300 in attempting to resolve the multitude of water problems of the Southwestern United States results in its highly controversial provisions which affect the people of the other several States of this Nation.

I do, however, support the authorization of the central Arizona project in Arizona and New Mexico, which is the original and underlying purpose of H.R. 3300. I support the authorization of the central Arizona project because the peo-

ple of the State of Arizona are entitled to the use of 2.8 million acre-feet of Colorado River water as adjudicated by the Supreme Court of the United States in *Arizona v. California, et al.* 373 U.S. 546 (1963).

In support of this position I shall offer at the appropriate time an amendment in the nature of a substitute for H.R. 3300, which authorizes the central Arizona project without the extorted provisions contained in H.R. 3300. The substitute which I shall offer is similar to legislation which has passed the other body.

The central Arizona project has had a long and troubled history. Bills to authorize construction of the central Arizona project were first introduced in the Congress in 1947-48.

Hearings on this legislation have always centered on the legal rights and availability of water. In 1951, I offered the motion which resulted in the committee's action that sent the States of Arizona and California into the Supreme Court to decide these questions.

Arizona won the lawsuit. Arizona won it fairly and handsomely. Arizona is entitled to the fruits of that victory without the extorted provisions and conditions imposed upon Arizona by California, Colorado, and the other basin States as contained in H.R. 3300.

H.R. 3300, with its many direct authorizations, its open-ended authorization, its limitations, protections, conditions, exceptions, and consent for suit against the United States, seriously opens to question the basic purpose and merits of this legislation.

H.R. 3300, as amended and reported by the House Committee on Interior and Insular Affairs, constitutes an unreasonable demand upon the people of the State of Arizona, as the price they must pay to the other basin States for their support of the central Arizona project. Arizona should not be required to pay a price as the result of her victory in the Supreme Court of the United States.

Nor should the Congress of the United States require Arizona to pay this ransom by authorizing the Colorado River Basin Project Act. The Congress should not be placed in this position because in the gathering storm underlying this legislation hangs the future of the Federal reclamation program. The importance of this Federal program to the future of this Nation and its people cannot be overstated. Its curtailment or nonexistence is obvious.

Notwithstanding these matters of national interest and concern, the other basin States insist upon eviscerating Arizona's Supreme Court victory as their price for supporting the authorization of the central Arizona project. Faced with such opposition, Arizona has unwillingly and reluctantly accepted the provisions of H.R. 3300, which provides:

First, a guaranteed priority to the State of California in perpetuity of 4.4 million acre-feet of water each year—an amount to which California is entitled only if there is 7,500,000 acre-feet available in the mainstream of the Colorado River below Lee Ferry, but not otherwise;

Second, that satisfaction of the requirements of the Mexican Water Treaty

constitute a national obligation and the first obligation of any water augmentation project;

Third, provisions providing for the augmentation of the water supplies of the Colorado River based upon studies the expenses of which shall be borne by all the States; and

Fourth, provisions which authorize new projects in the upper basin and guarantee that their future water needs are not endangered in any way.

H.R. 3300 is similar to H.R. 4671, a bill also cited as the Colorado River Basin Project Act, which was reported by the committee during the 89th Congress. H.R. 4671 was not acted upon in the 89th Congress for at least two reasons: First, the highly controversial provisions which included the authorization of dams in the Grand Canyon; and, second, a withdrawal and breach by the other basin States of their agreement with Arizona.

Immediately after the 90th Congress convened, bills were again introduced in both Houses to authorize the central Arizona project and the Colorado River Basin project. In the hearings before the committee on H.R. 3300, Arizona testified that she could not wait to solve all the water problems of the Southwest. And, in reference to H.R. 4671 of the 89th Congress, Arizona testified:

It was large, it was expensive, and it was ambitious. And, we regret to say, it was highly controversial. It included some elements which continue to be controversial—elements flatly unacceptable to some segments of the public.

In response to a California comparison of H.R. 3300 and H.R. 4671, Arizona responded in part:

We think realistically, if we are to get the Central Arizona Project and go forward on the water needs of the region, that we have to have something that is reduced in scope.

The pleas of Arizona were for naught as the other States of the basin insisted on dictating a bill which would attempt to solve many of the present and future water problems of the entire Southwest. In doing so, the other States of the basin have assumed a congressional responsibility to allocate shortages of water in the Colorado River Basin in a self-serving way.

A comparison of H.R. 3300, as reported, and H.R. 4671, as reported in the 89th Congress is most interesting.

H.R. 4671 was regional in scope and raised a number of issues of national concern. This bill included authorization of the central Arizona project; establishment of a National Water Commission; provisions for augmentation studies, including studies of transbasin diversions of water; provisions making the Mexican Water Treaty a national obligation and satisfaction of the treaty requirements from water to be imported from other river basins; authorization of Hualapai and Marble Canyon Dams; establishment of a basin development fund; provision for a 4.4 million acre-feet guarantee to California; authorization of participating projects in the upper basin; and various other provisions reflecting the results of interstate negotiations.

H.R. 3300, as amended and reported, is by comparison a bill which is regional in scope and raises a number of issues of

national concern. The bill includes the authorization of the central Arizona project; provisions for augmentation studies, including studies of transbasin diversions of water; provisions making the Mexican Water Treaty a national obligation with satisfaction of the treaty requirements the first obligation of water to be imported from other river basins; establishment of a basin development fund; provisions for a 4.4 million acre-feet guarantee to the State of California in perpetuity; authorization of numerous projects in the Upper Basin; and various provisions reflecting the results of interstate negotiations.

H.R. 4671, as reported in the 89th Congress, involved Federal expenditures of \$1,756,438,000. This figure did not include the costs of studies and importation works factually estimated to cost an additional \$8,000,000,000.

H.R. 3300, as reported in this 90th Congress, involves Federal expenditures conservatively of approximately \$1,286,000,000. This amount does not include the costs of the studies for importing 2½ million acre-feet of water for satisfying the requirements of the Mexican Water Treaty, or the costs of the associated studies, plans, and reports.

This comparison reveals very little difference between H.R. 4671 of the 89th Congress and H.R. 3300 of the 90th Congress. Despite her plea, Arizona is again being required to bear the burden of an expensive, ambitious, and controversial regional water plan under the guise of basinwide support for the central Arizona project. Moreover H.R. 300 as amended and reported by the Committee on Interior and Insular Affairs, goes far beyond the recommendations of the administration in support of this legislation.

The issue of water availability for the central Arizona project was again the major consideration during the committee hearings on this legislation. The other basin States have consistently maintained there is not sufficient water available to authorize an economic and financially feasible central Arizona project.

The committee concluded in reporting similar legislation during the 89th Congress that a full water supply from the Colorado River will be available for the central Arizona project until some time during the decade 1990–2000.

In reporting H.R. 3300, the committee arrives, on page 40 of the committee report, at a somewhat different conclusion, which is as follows:

4. Based upon the studies that have been examined by the Committee and its staff, the Committee believes that 1,200,000 acre-feet can reasonably be expected for the Central Arizona Project until sometime during the decade 1985–1995.

The committee report on H.R. 3300 gives no explanation or reason for the different conclusion on this point in reporting this legislation to the 90th Congress. However, testimony by the Department of the Interior before the committee on water available for the central Arizona project clearly established, first, that the testimony of the Department of the Interior pertaining to Colorado River water supplies was based upon detailed

and complete studies; and second, that those studies clearly show a full water supply available for a feasible central Arizona project until the period 1990–2010.

It is interesting to note that the other basin States consistently attempted to impeach the validity of the studies performed by the Department of the Interior on the basis of different conclusions by other independent studies. This is most interesting because the same basin States insist on the inclusion of the controversial provisions of title II of H.R. 3300 which require the Department of the Interior to prepare reconnaissance and feasibility studies and investigations providing for augmentation of the water resources of the Colorado River.

Title II of H.R. 3300, in my opinion, duplicates already existing authority for comprehensive regional and river basin planning, including transbasin diversions of water. Such authority already exists in the Water Resources Planning Act—Public Law 89–90, 79 Stat. 244. And, notwithstanding the fact that I am a member of the loyal opposition, I must agree with the testimony of the administration on this point, that the National Water Commission, established pursuant to bills which have passed both Houses of this Congress, is the appropriate entity to undertake an evaluation of basic issues relative to Colorado River water supply problems."

The provisions of title II of H.R. 3300 are so controversial that they should be stricken from the bill. The reasons for striking these highly controversial provisions are simply: First, the authority to conduct the type of studies authorized by H.R. 3300 already exists as has been previously pointed out; second, the committee did not have available the preliminary information or cost analysis to justify authorization of the study provisions of title II; and third, the Congress does not have available the necessary information as to costs to the studies authorized in title II to justify their authorization.

One other important point should be carefully observed concerning title II of H.R. 3300, and that is that the study provisions therein make the responsibility of augmenting the water supply of the Colorado River and the costs associated therewith a Federal responsibility to be paid for by all the taxpayers of the United States and not a responsibility, fiscal or otherwise, of the Colorado River Basin States.

This Federal responsibility to augment the water supply of the Colorado River was most cleverly created and designed by the Colorado River Basin States to arise from the requirements of the Mexican Water Treaty.

The provisions of section 202 of H.R. 3300, which declare that the satisfaction of the burdens of the Mexican Water Treaty constitute a national obligation raises an issue of national concern to the States of this Nation lying outside the Colorado River Basin.

This provision of H.R. 3300 will shift the burden of the Mexican Water Treaty from the Colorado River where it belongs to the other States of this Nation, where it does not belong, and at the expense

of the people of the United States who should not bear it.

The position of the seven Colorado River Basin States on this issue is quite clear and has been proudly stated in this matter:

In our bill last year we had a little feature that went almost completely unnoticed, and there was little controversy about it. That feature provided that the federal government would assume the Mexican Treaty burden, picking up the tab for the first 2.5 million acre-feet of augmentation of the river. That little item, all by itself, could mean perhaps about \$2.5 billion to the states of Colorado River Basin, the equivalent of about two Hualapai Dams. I think such a transfer of that burden is still possible and ought to be getting our maximum attention and effort. I think that what we can do for ourselves in this area is a lot more important than grousing about the loss of those two dams.

The logic of the Colorado River Basin States in attempting to shift the burden of the Mexican Water Treaty is most interesting. The basin States have started from the premise that the Colorado River is a river short of water. They then concluded that the reason the river is short of water is because the satisfaction of the burdens of the Mexican Water Treaty is a requirement of the river. The basin States then concluded that this burden is a Federal requirement placed there by Federal authority and therefore not the responsibility of the Colorado River Basin States.

It was then concluded that if the river is to meet the future consumptive uses of an economically expanding area, augmentation of the water supply of the Colorado River is mandatory. The question then followed as to how augmentation could be accomplished and at whose expense.

Title II, section 202, is the result of that logic and concludes that since the Federal Government burdened the river with the requirement to deliver 1.5 million acre-feet of water annually, plus losses, to the Republic of Mexico, the Federal Government should therefore assume this obligation and be responsible for augmenting the water resources of the Colorado River and the costs associated therewith.

The Colorado River Basin States, all of them, knew as early at 1922, at the time of the Colorado River Compact, that the Republic of Mexico had been using and was entitled to the use of the water in the Colorado River. They have all known since 1944, when the Mexican Water Treaty was ratified, precisely what amount of water that would be.

The discussions of water for Mexico occupied a prominent part in the negotiations for the compact between the basin States. Now, the Colorado River Basin States have concluded that the apportionment of Colorado River water to Mexico under the treaty was done on the basis of a mistake in judgment as to the amount of water in the Colorado River.

The Colorado River Basin States have thus stated, a fortiori, the Federal Government has a responsibility to correct this mistake in judgment and should do so by assuming the obligations of the Mexican Water Treaty.

With this logic I cannot agree. This shallow reasoning covertly attempts to saddle the other States of the Nation with the costs of studying, planning and augmenting the water supply of the Colorado River as a Federal responsibility and not a responsibility of the seven basin States.

Assuming the Mexican Water Treaty may have been negotiated on the basis of a mistake in judgment as to the amount of water available for delivery to Mexico, such mistake appears to be a unilateral mistake to which the seven States of the Colorado River Basin long ago assented. There is no evidence of a mutual mistake of fact in the negotiation of the Mexican Water Treaty which in equity might call for the rescission or renegotiation of this agreement. The burdens of the Mexican Water Treaty should not now be the subject of internal unilateral negotiation.

The Mexican Water Treaty is as much a fact of life for the States of the Colorado River Basin as it is for the Federal Government. The treaty is as much a part of the "law of the river" to which the basin States pledge their allegiance day in and day out, when it suits them to do so—as is the geology of the area or the paucity of precipitation that is one of its characteristics. And, the basin States ought to have planned accordingly.

If there were no Mexican Treaty and these States were planning a project to import 2,500,000 acre-feet of water into their basin to bolster their water-short economy, there is no question but that they would be obligated to pay for it. The case is no different here. For what absolving them from the burden of the Mexican Treaty means is that they will have 2,500,000 acre-feet of water more than they now have to bolster that same economy. They should be required to pay for it either out of power revenues or from taxes on themselves or by some other means, and project planning should be required to proceed on the assumption that they will have to do so.

The bill, as amended, goes further than this. It is abundantly clear that all costs associated with bringing these 2,500,000 acre-feet of water into the Colorado Basin will be nonreimbursable, but the bill is seductively vague on how the costs of the other investigations and studies will be allocated. Absent anything in the bill to the contrary, I read this as an invitation to assign all the basic costs of the works to satisfying the Mexican Treaty requirement. I read it, in other words, as an invitation to load on the American taxpayer not only the Mexican Treaty's proportionate share of the cost of the importation works but a good deal more than this in addition. This is unjustified.

Title V of H.R. 3300, which authorizes participating projects in the Upper Colorado River Basin is another feature of this bill which I oppose.

The authorization of these upper basin participating projects and the inclusion of a number of provisions affecting the Upper and Lower Colorado River Basin relationships constitute the ransom extorted by the States of the Upper

Colorado River Basin as their price for supporting the authorization of the central Arizona project.

Considerable testimony before the committee concerned the availability of water and the rate of upper basin depletions which would occur by the authorization and construction of the upper basin projects. As a result of the time consumed on the rate of upper basin depletions, the committee received little or no testimony concerning the economic or financial feasibility of the upper basin projects.

In authorizing these upper basin projects, H.R. 3300, again goes far beyond the position of the administration in support of this legislation. In transmitting the planning reports on these projects to the Congress, only two projects were recommended by the administration for authorization. The Bureau of the Budget has recommended deferral of three other projects pending the establishment of a National Water Commission and completion of its review of water problems.

In view of the position of the administration, and the lack of testimony before the committee on the economic and financial justification of these upper basin projects, these projects should not be authorized by H.R. 3300. Authorization of the upper basin projects without detailed testimony on their economic and financial feasibility is, in my opinion, an outstanding example of improper water resource development planning.

Mr. Chairman, proper water resource development and planning has long called for the authorization of the central Arizona project in Arizona and New Mexico. The need for the authorization of the central Arizona project has long been known. It is needed to maintain the existing economy of Arizona and to supply the needs of growing municipal and industrial uses.

It follows, Mr. Chairman, that the next logical step in the water resource development of the Colorado River Basin is the authorization, construction, operation, and maintenance of the central Arizona project.

H.R. 3300 does not, in my opinion, present a long-range regional water development plan based upon completed studies and reports so important for intelligent water resource planning. If this Nation is to have a viable Federal reclamation program in the future, if we are to encourage progress in the economic development of the Southwestern United States, we must proceed at a pace in which this Nation and its people have the capacity to perform. I suggest, therefore, that in the absence of the detailed studies and reports authorized in H.R. 3300, that we proceed one step at a time and authorize the central Arizona project.

Mr. ASPINALL. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. JOHNSON].

(Mr. JOHNSON of California asked and was given permission to revise and extend his remarks.)

Mr. ASPINALL. Mr. Chairman, will the gentleman yield to me?

Mr. JOHNSON of California. I yield to my chairman.

Mr. ASPINALL. Is it not true that the bill that was passed over from the other body last year is a much more expensive bill than this particular legislation now before the House?

Mr. JOHNSON of California. Yes, it was.

Mr. ASPINALL. Is it not also true that that which is proposed in the House bill is at least \$50 million less than which was proposed in the other body, just for the central Arizona project, last year because of the fact that we have reduced the aqueduct from a 3,000-cubic-feet-per-second time to 2,500-cubic-feet-per-second time?

Mr. JOHNSON of California. That is right.

Mr. ASPINALL. May I ask, also, is it not true that we have never stated that the central Arizona project itself is not a financially feasible project? In fact, in the report on page 40, paragraph 9, we show it is a financially feasible one but also go further and state that there will not be any water for this project a few years after the cost of the project has been repaid? Is that not true?

Mr. JOHNSON of California. That is correct.

Mr. ASPINALL. Is it not also true, Mr. JOHNSON, the conferees of the Colorado River compact sitting in Santa Fe, N. Mex., and other places, came to the conclusion that there was a minimum of 16.5 million acre-feet of water in the river annually?

Mr. JOHNSON of California. That is the figure that was considered at that time.

Mr. ASPINALL. And they also went further and made provision in the compact to divide the surpluses which would be in excess of that.

Mr. JOHNSON of California. That is true.

Mr. Chairman, it has been my privilege, as chairman of the Subcommittee on Irrigation and Reclamation, to conduct the hearings and preside over the committee's consideration of the legislation we bring before the House today.

The Interior and Insular Affairs Committee has given more time and more study to this legislation than to any other legislative matter we have considered in recent years.

During the time the committee has had this legislation under active consideration, the States of the Colorado River Basin have been negotiating with respect to its provisions, and these negotiations, of course, had an important bearing on the language finally approved.

Each of the States has made important concessions in order to obtain a bill that is acceptable to the States and the Nation.

H.R. 3300 has the endorsement of all of the Colorado Basin States with the exception of Wyoming.

However, we believe that the bill provides adequate protection for Wyoming as well as the other basin States.

The committee-approved legislation also has the endorsement of the Department of the Interior and the support of the administration.

Mr. Chairman, as chairman of the subcommittee that handled this legislation, I would like to briefly review some of the more important provisions of the bill.

It is significant, I believe that title I states that the objective of this legislation is to provide for the comprehensive development of the water resources of the Colorado River Basin, including provision for additional and adequate water supplies throughout the basin.

This statement of purpose establishes this legislation as the key to future development of the water resources throughout the western part of the United States.

Title II covers the investigations and planning required to carry out the objective just stated.

The studies in section 201 are to be conducted by the Secretary of the Interior under general criteria established by the Water Resources Council and in consultation with the affected States.

A reconnaissance report considering future water requirements and all alternative ways of meeting these requirements, including weather modification, desalination, and importation, is due in 1973.

A limited feasibility study for 2.5 million acre-feet per year would be completed in 1975.

These dates will allow for congressional consideration of the results of the Federal-State studies now under way throughout the West, State water plans, and the policy recommendations of the proposed National Water Commission.

H.R. 3300 recognizes that the Mexican Water Treaty is a national obligation and not that of the Colorado River Basin States.

The Colorado River portion of the Mexican Water Treaty did not provide any benefit to these States.

The history of the Mexican Water Treaty shows that the overriding issue during negotiation was to have the treaty ratified prior to the United Nations organizational conference of 1945.

National interest required passage of this treaty so that the United States could successfully pursue other international issues of importance to the Nation.

Thus, the treaty was entered into by the United States in the interests of international comity and to enhance the Nation's position of world leadership.

If, on the basis of the studies provided in this legislation, augmentation works are found to be feasible and are later authorized by Congress, the cost assigned to delivering water necessary to meet the Mexican Water Treaty will be made nonreimbursable.

Section 203 is included to provide protection for States or areas of origin in the event a plan is prepared for interbasin diversions into the Colorado River system.

This protection is provided in the strongest language which the committee could develop.

States that are potential areas of export are fully protected in the following four ways:

First. Providing for a determination of the ultimate water requirements of areas of origin, including not only consumptive use requirements but all requirements such as navigation, power, and pollution control;

Second. Giving the States of origin priority of right in perpetuity;

Third. Requiring the Secretary to

make sure that water supplies shall be available for use in the States of origin to satisfy their ultimate requirements at prices to users not adversely affected by exportation of water to the Colorado River system; and

Fourth. Stipulating that no recommendation for import can be made by the Secretary of the Interior unless approved by the States affected by the exportation from their areas.

Title III of H.R. 3300 provides for authorization of the central Arizona project and includes language for protection of existing uses.

The central Arizona project will be fully described by others and I shall not discuss it further except to say that the committee concluded that the central Arizona project is urgently needed, is, in effect, a rescue operation, and should be constructed at the earliest possible date provided this is accomplished by the immediate initiation of meaningful studies to find new sources of water.

Power for pumping will be furnished from thermal power sources, with the Secretary of the Interior acquiring the right to capacity in a new large thermal plant by prepayment of the costs of a portion of such plant.

The central Arizona project is estimated to cost \$779 million.

Section 301 has the effect of implementing the Supreme Court decree in Arizona against California by providing a statutory formula to cope with years of water shortage in the Colorado River.

That decree directs the Secretary to first satisfy pre-1929 rights and to allocate the remaining available water in accordance with applicable law.

This section writes the applicable law which the Secretary would have to follow.

The bill provides that when there is insufficient water, existing rights in the three States must be honored, and diversions for the central Arizona project be curtailed if necessary to accomplish this, but protection to California users is limited to 4.4 million acre-feet per year.

California has used 5.1 million acre-feet per year and has built works to divert the 5.4 million acre-feet per year included in its contracts with the Secretary of the Interior.

Thus the first impact of shortage will require California to reduce its use by up to 700,000 acre-feet per year.

The next impact of shortage will fall on Arizona.

Title III also includes special provisions for the benefit of the Indians in connection with the acquisition of Indian lands for project uses.

Section 304 relates to water contracts and places strict limitation on water use in connection with the central Arizona project.

The committee feels very strongly—and the legislation provides—that no water shall be used to bring any new agriculture lands into production.

This section also provides for construction of Hooker Dam or a suitable alternative and for additional uses in New Mexico.

Section 305 provides that water made available to the States of Arizona, California, and Nevada by augmentation, within the limits of 2.8 million acre-feet,

4.4 million acre-feet, and 300,000 acre-feet respectively, will be furnished to users at the same cost and on the same terms that would have applied if main-stream water had been available.

This provision, of course, is limited by the financial assistance available from the development fund and the satisfaction of the Mexican Water Treaty.

The Secretary, by section 306, is authorized to undertake a program for water salvage and groundwater recovery adjacent to the Colorado River, which will result in conserving an appreciable amount of water that is presently wasted.

Section 307 provides for reauthorization of the presently authorized Dixie project in Utah in order that it may receive financial assistance from the development fund established by this legislation.

Because of changes in plan and increased cost, the Dixie project authorization is increased from \$42,700,000 to \$58,000,000.

Title IV includes provisions for allocating cost and for repayment.

It also establishes the Lower Colorado River Basin fund to help finance the central Arizona project, the previously authorized Dixie project, and future augmentation works if they are found to be feasible.

The revenue sources for this fund, in addition to the central Arizona project and the Dixie project, are the Hoover and Parker-Davis projects and the Pacific Northwest-Pacific Southwest power intertie.

A financially sound development fund is critical to the success of any augmentation program and to resolution of the controversy over the sharing of the water shortages in the lower basin. Augmentation works will be expensive and beyond the ability of the water users in the basin to finance.

In recognition of the fact that the development fund should be dedicated primarily to future augmentation works, the committee provided that financial assistance to the central Arizona project from surplus revenues of the Hoover and Parker-Davis projects would be limited to that portion of such revenues derived from sale of such power and energy to Arizona.

H.R. 3300 also authorizes additional water resources development in the Upper Colorado River Basin by authorizing as participating projects of the Colorado River storage project the Animas-La Plata, Dolores, Dallas Creek West Divide, and San Miguel projects which together are estimated to cost \$392 million.

The Uintah unit of the central Utah project is conditionally authorized.

Title V also deals with the financial problems created by the filling of Lake Powell and the resulting firm power deficiencies at Hoover Dam.

These provisions called for repayment to the Upper Colorado River Basin fund of the actual money expended out of the fund pursuant to the Glen Canyon filling criteria.

Title VI, while including certain administrative provisions, relates primarily to the establishment of guidelines for operation of the Federal reservoirs on

the Colorado River in order to assure equitable treatment of all seven States of the basin.

All the Colorado River Basin States agreed to these provisions after long and arduous negotiations.

The committee believes that this language in title VI constitutes a just equitable solution to the problem of protecting future water development in the four upper division States and at the same time providing for the use of water in the lower basin States until it is required upstream.

It will establish a commonsense balance between the right of the upper division States to store water to meet future delivery requirements under the Colorado River Compact, and the lower basin's right to demand the release of water stored in the upper basin to meet lower basin consumptive uses.

Section 605 removes that stretch of the Colorado River between Hoover Dam and Glen Canyon Dam from the licensing authority of the Federal Power Commission, reserving decision with respect to any development on this stretch of the river for later action of the Congress.

This is the stretch of the river which included the controversial dams which have now been eliminated from the plan authorized in this legislation.

Mr. Chairman and Members of the House, the Colorado River Basin is living on borrowed time.

Its best chance for continued economic growth is through the enactment of H.R. 3300.

This legislation is so important and so urgent that it warrants your support even during this period of fiscal crisis.

The initial funding requirements are relatively small but the actions and procedures set in motion will mean much in terms of this Nation's future economic well-being.

I urge the approval of H.R. 3300 as amended by the committee.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOSMER].

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman.

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, as the senior member of the Arizona delegation in the House of Representatives, I would like to speak in support of H.R. 3300, as recommended by the Committee on Interior and Insular Affairs. As is the case with every piece of major legislation before the Congress—it is not a "perfect" bill, but having survived the give-and-take process of negotiation and compromise, it is a good bill. It is a bill which will go far toward bringing peace to the Colorado River Basin States—and will cause these States to join together to solve the long-time future water needs of the great Pacific Southwest area of our country.

I need not tell you the long and tortuous path which this legislation has traveled to finally reach the floor of this House for debate. Others have—or will—tell you of the geography, the history,

and other pertinent matters relating to the Colorado River and its 242,000 square miles of drainage area. I need not even tell you the great need which my State has for what many have referred to as a "rescue" project. Even the bill's severest critics preface their remarks and criticism with the phrase: "I'm all for the central Arizona project itself, but—" On this subject even the minority views conclude with this comment:

We agree that Arizona's needs for supplemental water from the Colorado River are most critical and will become more so as time goes on. We agree too, that to maintain the existing economy of Arizona and to supply the needs of growing municipal and industrial use, the Central Arizona Project should be authorized without further delay.

We also believe the next logical step in the water resources development of the Colorado River Basin is the authorization, construction, operation and maintenance of the Central Arizona Project.

Others will tell you of problems of Utah, Colorado, and New Mexico which this bill seeks to resolve—and yet others will explain the important compromises laboriously negotiated between all basin States and representatives of the Department of the Interior on the technical matters embodied in title VI of the bill. But I want to discuss with you two important matters—one, a matter of particular concern to Arizona and California, and the other, a budgetary matter—of concern to the entire Nation.

First, let me review briefly the bitter fight between Arizona and California which has kept our two States at each other's throats over the Colorado River for almost 50 years. Even when Arizona finally ratified the Colorado River Compact between the States of the upper basin and the lower basin and entered into a contract with the Secretary of the Interior for 2,800,000 acre-feet of Colorado River water, California was successful in blocking passage of legislation here in the House which would have authorized construction of the central Arizona project. On April 18, 1951—on motion of the gentleman from Pennsylvania [Mr. SAYLOR]—the House Interior Committee, during deliberations on central Arizona project legislation which had already passed the Senate, adopted a resolution providing that consideration of further bills relating to the central Arizona project "be postponed until such time as use of the water in the Lower Colorado River Basin is either adjudicated or binding or mutual agreement as to the use of the waters is reached by the States of the Lower Colorado River Basin."

The history of our effort is discussed in the committee report as follows:

Shortly after this resolution was adopted, an action was instituted in the Supreme Court of the United States by the State of Arizona against the State of California to obtain such an adjudication. The principal issue in this litigation concerned the relative entitlement of California and Arizona to the use of water from the Colorado River, Arizona alleging that, pursuant to the Colorado River Compact and the Boulder Canyon Project Act, Arizona was entitled to the beneficial consumptive of 2.8 million acre-feet of water each year from the Colorado River and that California's corresponding entitlement was limited to 4.4 million acre-feet.

The United States and Nevada intervened and, on the motion of California, New Mexico and Utah were added as parties in the case. The litigation was referred to a special master whose report was issued in December 1960. The opinion of the Supreme Court was rendered on June 3, 1963 (373 U.S. 546), and, 12 years after it began, the Court, on March 9, 1964, issued its decree (376 U.S. 340).

The Supreme Court findings are summarized as follows:

"The Colorado River Compact essentially divided the water between the Upper and Lower Basins, but it did not attempt to allocate water to individual States within either Basin. The Court held that neither the Compact, nor the law of prior appropriation, nor the doctrine of equitable apportionment controlled the division of Lower Basin water between the states of the Lower Basin, but that the Boulder Canyon Project Act authorized an apportionment of the lower Colorado River and hence must be used as a guide.

"In ratifying the Boulder Canyon Project Act, California covenanted—by the Act of its Legislature—to limit its annual consumption of Colorado River water to 4,400,000 acre-feet plus one-half of any surplus. Under terms of the Act, Arizona and Nevada were allocated 2,800,000 and 300,000 acre-feet respectively, with Arizona to share any surplus equally with California with provision that should Nevada contract for 4 percent of the surplus, Arizona's share of such surplus would be reduced to 46 percent.

"The apportionment of Lower Basin water was restricted to the main stream of the Colorado downstream from Lee Ferry within the United States. Each State retained exclusive use of its tributaries without charge to its apportioned water; consequently, the all-important use of the Gila River in Arizona was awarded to that State without charge against its main-stream entitlement—a key issue in the dispute.

"The Secretary of the Interior, within the confines of the Act, has authority to allocate and distribute the waters of the main stream of the Colorado in water-short years, subject to power of Congress to enlarge or diminish his authority.

"Indian reservations are given priority for water, dating from the time the lands in question became a part of the reservation."

Almost immediately following the issuance of the opinion in Arizona against California, legislation was again introduced in both Houses of the Congress to authorize the construction of the central Arizona project. But to our chagrin and great disappointment, California insisted that any acceptable central Arizona project legislation must contain a provision which would give California a priority of right in times of river shortages—limited, however, to 4.4 million acre-feet—which is about 700,000 acre-feet less than California is now using and is capable of diverting through existing facilities. Arizona took the position that this decision should wait until some time in the future when the shortage was imminent—and then be decided, as the Supreme Court had left it, by the Secretary of the Interior "under the circumstances then existing."

With the legislation stalemated in the House, the Senate in 1967 (S. 1004) recognized the equities on both sides of this issue and attempted to resolve it by giving California a priority to 4.4 million acre-feet for a period of 27 years from the date of the act. This Senate shortage formula was designed to assure repayment of the Metropolitan Water District bonds—issued to construct their

great aqueduct from the Colorado River to the coastal plain of southern California—and would have provided a substantial period of time in which Arizona, California, the United States, and other Basin States could make and place in effect plans to provide supplemental water for the Colorado River Basin. However, this was completely unacceptable to California and her various interested water agencies. When the second session of this 90th Congress convened we appeared to be as far apart as ever in resolving this bitter issue.

On February 27 of this year, during the executive sessions held to mark up H.R. 3300 in the Subcommittee on Irrigation and Reclamation, the chairman of the Committee on Interior and Insular Affairs, the distinguished gentleman from Colorado, proposed a series of amendments in an effort to resolve this longstanding difference between Arizona and California. Arizona's two members of the subcommittee did not support that portion of the chairman's compromise which dealt with the 4.4 million acre-feet priority to California—and voted against the amendment. The Arizona representatives were the only members of the subcommittee to so vote and, as a consequence, the amendment to grant California a 4.4 million acre-foot priority was carried.

While this particular amendment did not meet with our approval, when considered along with the chairman's other amendments, it clearly does present a substantial improvement in the language previously contained in the California and Colorado bills. Thus once the amendment had been adopted, Arizona then considered the bill in its entirety, without undue emphasis on any one provision. When viewed in this light, the bill recommended by the committee contains so many substantial benefits for the State of Arizona that it will represent the greatest forward step for Arizona since statehood.

One of the key provisions of the bill is this provision:

The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation.

With this expression of good faith by the United States, the Federal Government may join with the basin States to find sources of augmentation. The problem now becomes one of finding the best and most economical means of augmentation—not just for the Mexican treaty, but for the ultimate future needs of the people of the Southwest.

The problem of dividing water shortages in the Colorado River becomes, to a great extent, academic if the Mexican treaty burden can be satisfied by augmentation. We are not dealing with the water supply of the river as it exists today nor as it will exist in the 1970's or in the 1980's. Shortages which will preclude the consumptive use of a full 7½ million acre-feet in the lower basin will not occur until development in the upper basin has progressed far beyond its present magnitude. Thus, there is time for the States and Federal Government to seek and find the most feasible means of augmen-

tation to meet both the Mexican treaty requirement and added requirements for the States themselves. With the Mexican Treaty obligation satisfied, the day when there will no longer be sufficient water in the river to supply the consumptive use in the lower basin of a full 7,500,000 acre-feet per annum is postponed by many decades—and possibly forever.

Although a threat of curtailment of water supplies cannot be taken lightly, we in central Arizona do have an advantage over many other areas which look to only one source for their water supplies. The central Arizona project provides more latitude—more flexibility—than the customary municipal and industrial supply project or the customary agricultural project. In central Arizona, following completion of the project—although limited in quantity—we will have two, and in some instances, three sources of supply; namely, the Colorado River, the groundwater basins—assuming they are not totally depleted—and the surface waters of the Gila River and its tributaries. Thus, we can afford to take an occasional limited shortage of Colorado River which would, if it were the sole source of supply, be devastating to a municipal and industrial supply project and would be harmful to an agricultural project.

Implicit in the criticism voiced by those Arizonans who would have us stand and "slug it out" with California to the bitter end—and probably end up with no project at all—is the concept that in the absence of a 4.4 million acre-foot priority to California, shortages would be shared ratably between Arizona and California. Oddly enough, many people will versed in Colorado River matters seem to have this idea. In the case of Arizona against California and others, the special master recommended that should there be less than 7.5 million acre-feet available for consumptive use in the lower basin from the mainstream of the Colorado River, whatever water was available should be divided on the basis of forty-four seventy-fifths to California, twenty-eight seventy-fifths to Arizona, and three seventy-fifths to Nevada. The Supreme Court declined to accept the master's recommendation in this regard. In lieu thereof, the Supreme Court left this decision to the discretion of the Secretary, to be made in light of the circumstances and conditions at the time of the shortage.

Absent instruction from the Congress, the disposition of the available water is left to the discretion of the Secretary. Even in the absence of a statutory 4.4 priority to California, it is entirely possible that the Secretary might elect to award California 4.4 million acre-feet in times of shortage, and hence arrive at the same end that would result from enactment of H.R. 3300, as it is presently written. One basis for such a decision might be that the California projects are older and by "the law of the West" are entitled to such priority. Certainly California would so contend and might persuade the Secretary of the validity of such an argument. Also, California would probably argue to the Secretary that such an award should be made because, under the

existing priorities within the State of California, the Metropolitan aqueduct—although providing municipal water—has the lowest or poorest priority. Thus, it would be pointed out to the Secretary that any reduction in California's allotment of 4.4 million acre-feet would represent a diminution of water available to people, whereas a reduction in the water diverted to central Arizona would result only in a reduction of water available to crops.

In my opinion, these are not valid arguments, and should not prevail. There are logical and convincing rebuttals. There are, moreover, arguments to be made which are more substantive in support of the proposition that Arizona—with the Colorado River system as its sole supply—should receive a full supply of 2,800,000 acre-feet annually, even in times of shortage. However, it would waste the time of this body were I to fully delineate the various arguments which might be presented to some future Secretary at some future time under future circumstances which we cannot now foresee. It is also futile to guess how this future Secretary would react to these arguments. Certainly, in the absence of instructions from the Congress, such as those contained in this bill, we can only guess at how shortages ultimately would be shared and whether Arizona would fare better at the hands of some future Interior Secretary than she does in H.R. 3300. Suffice it to say that there is no validity in the belief so widely held that in the absence of a shortage sharing formula such as that set forth in this legislation, Arizona can rely on a more favorable division.

I am convinced that H.R. 3300, as reported by the Committee on Interior and Insular Affairs, is essential and, on balance, beneficial to the future growth and economic prosperity of the State of Arizona. I feel that I would be doing my constituents and my State the greatest possible disservice were I to do other than lend H.R. 3300 my full support.

So—in summary on this important point—if it were a matter of free choice for me alone—or for the Arizona delegation alone—we would obviously prefer a bill which fulfills our every desire on every point in issue between the States. We would prefer the bill our way without any compromises—without any concessions to California or to the other basin States. But, gentlemen, I am realist enough—and have observed the time-honored processes of this great legislative body long enough to know—that such a bill has never been enacted into law. I am realist enough to “give” a little—for the support of our sister States in the Colorado River Basin. I am realist enough to know that this bill—if it is to pass this body with the substantial majority which it is entitled to receive—must remain intact—and must not be amended even to add further benefits for my own State.

Consequently, I respectfully request—and strongly urge—my friends who might otherwise be sympathetic to Arizona's position in its longfought battle with California to forego any impulse to come to our “rescue.” Arizona's repre-

sentatives in this body have come to the rational conclusion that, as a part of the overall “package,” we should and will accept this compromise. We hope you can join with us in supporting the entire bill as recommended by the committee.

This is an authorization bill. It does not appropriate any money. However, it settles several longstanding disputes in the West and places in readiness a group of well-considered, badly needed public works projects—ready to go full blast whenever our economic situation permits.

Therefore, it should be passed now. Even if the Department of the Interior started to move immediately after enactment of H.R. 3300 by this Congress—I am advised by the Bureau of Reclamation that for the first year their expenditure capability is only about \$2 million.

The entire funding schedule, provided by the Bureau of Reclamation, is as follows:

[In millions of dollars]	
CENTRAL ARIZONA PROJECT	
Year:	
1970	2.0
1971	18.7
1972	36.3
1973	59.8
1974	90.1
1975	110.4
1976	115.5
1977	99.5
1978	87.6
1979	74.0
Balance to complete ¹	85.2
Total central Arizona project	779.1
COLORADO	
Year:	
1970	.3
1971	.7
1972	1.9
1973	9.4
1974	19.7
1975	24.3
1976	38.8
1977	48.0
1978	59.0
1979	51.4
Balance to complete ¹	138.3
Total Colorado	392.0

¹ The balance to complete will take from 4 to 6 years.

To bring these expenditures into proper focus—let me point out that even in the year of greatest expenditures, 1976—the impact of the central Arizona project is only sixty-one one-thousandths of 1 percent of the 1969 budget.

So, Mr. Chairman, this bill is not a threat, in any way, to the economy of the country. I ask that the House join with us now in helping to resolve these longstanding disputes in the Colorado River Basin. I ask that our Members join with us in enacting this legislation which will pave the way toward beginning these badly needed water projects.

Again I ask that the committee's recommendations be accepted in toto—and that H.R. 3300 be approved without amendment.

Mr. HOSMER. Mr. Chairman, we have heard alleged that we have some controversial monstrosity before us today that is impinging upon the rights of Arizona and on the taxpayers and a lot of similar charges.

Actually, I do not think that is quite a

true picture of what we have before us. What we do, indeed, have before us is a thing of fragile compromise and delicate structure calculated to enhance and enrich both the Nation and an important region of it.

H.R. 3300 deals with the lifeblood, that is, the water, of seven important States of our Nation comprising one-twelfth of the entire land area of the continental United States. This region contains many millions of people whose welfare depends upon this river and this bill, and in the future will be the home of many, many more millions of Americans.

Now why was this fragile compromise put together instead, as the gentleman from Pennsylvania suggested, of bringing in the central Arizona project all by itself? He gave the answer when he told you that the water supply of the river is so short that the seven States involved do not have a problem of dividing up water as they do in other parts of the country, but they have a much more difficult task of dividing up tremendous deficits in the supply and allocating those heavy burdens amongst themselves. And those burdens are made much, much heavier by the imposition by our Government, by treaty of a national obligation, as the gentleman from Pennsylvania described it, on the part of the United States to each year get 1,500,000 acre-feet of wet water down that river past these seven States to Mexico. That is a national obligation. The United States promised it.

Now when this treaty was being considered in the Senate back in 1944, they proceeded, and this will appear by quotation later in my remarks, on the basis that there were 18,000,000 acre-feet of water available from that river every year.

Thus the 16 million required by the States would be adequately handled, and the 2 million extra would adequately supply that burden to Mexico. That was the assumption of the treaty. It turned out that there was not 16 million. There was not 15 million. There is less. That shortage is the burden we are bearing. That is the burden that we are sharing by the terms of this bill. That is what these seven States, after decades of water warfare, have finally, by water statesmanship, come together, each giving what it must, in order to arrive at a live and let live arrangement amongst them, so that each can live, so that none will suffer unfairly.

Arizona is not asking California to commit hari-kari, or Colorado to commit hari-kari, or any of the other of her neighboring States to commit hari-kari on this, and we are not asking Arizona to do so. What all of us are asking, in the form of this bill, is a chance once and for all to settle our differences, know where we stand, and to make our future certain so that we can plan for it and move ahead as a vital part of the United States of America.

What the opponents of the bill would do would be to shake it down, tear it to pieces, tear up of pieces, and gut it to a hollow shell. That is not the kind of legislation that Congress should enact. That would impose a terrible burden on

a part of our land and relegate it to a future of dark uncertainty.

Now what about the national obligation of the United States taken on by the 1944 treaty? It admittedly is a national obligation of the United States to come up with the water. Do these people who oppose recognizing it want to renege on a check signed by the United States in the form of a formal treaty and force the States of this water-short area to make it good?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOSMER. Will the gentleman yield further time?

Mr. SAYLOR. I will at least give the gentleman 5 additional minutes if he will yield to me.

Mr. HOSMER. I will yield to the gentleman after I receive the extra minutes that he is going to give me in addition to the second 5.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from California.

Mr. HOSMER. We look to the United States not to push this burden on these seven States, but to carry out its obligation as it told Mexico it was going to do, and that is going to require a little money.

There was no quibbling in this Congress when we faced the Chamizal situation down in San Antonio. There was an international lawsuit between the United States and Mexico, and some of the land of the United States was ordered ceded to Mexico.

What happened then? Did the United States say to Texas that Texas had to give up that land? Did the landowners have to do it? No, they said, "This is a national obligation." Uncle Sam spent \$39 million buying dirt and soil to carry out this national obligation to Mexico.

What is the difference in the case of water? It is still a national obligation and it ought to be carried out by the Nation.

We had a treaty with Canada on the St. Lawrence Seaway. We spent billions of dollars on that water project. What happened? The States along the seaway and the States in the Middle West that were getting the benefit of this—they were not asked to pay it—it was a national obligation because the Nation obligated itself by treaty, just as it obligated itself by the 1944 Mexican Water Treaty.

Now let us look at this fabulous allegation that by this legislation we are getting ourselves into the expenditure of untold billions for water importation to handle our Mexican obligation and the needs of our own States. This bill does not put up a cent for anything like that. This bill authorizes some studies to be made as to how we might augment the water supply and, contrary to what you have been told, the record shows what it will cost, and it is between \$12 and \$16 million for such studies.

When the studies are made, then we can have before this body something with a price tag on it, something with specifications, something that Congress can pick or choose or turn up or turn down. But we cannot have even that unless we provide for and make the studies.

We are not obligated for one cent of importation. Those billions they are talking about and trying to scare us with are invisible, nonexistent, hypothetical billions that are conjured up and spat out in the form of some kind of dragon to frighten the Members of this body. When and if there is a study and a plan and a proposal at some date in the future, there will be a price tag on it and some future Congress will deal with it.

I want to say this. We have heard how Arizona is being tromped on. But let me explain what Arizona thinks of what her statesmen here, her Members of Congress have done, in putting together this bill and massing support behind it. The explanation comes from another Arizonan, who is Secretary of the Interior of the United States of America. This is one of the most unusual stories I have ever read. It was printed in the Arizona Republic on May 12, just 3 days ago. Here it is:

UDALL LABELS RHODES LEADER OF CENTRAL ARIZONA FIGHT
(By Ben Cole)

WASHINGTON.—Rep. John J. Rhodes, R-Ariz., is the man to carry on Arizona's battle for money to build the Central Arizona Project after Sen. Carl Hayden, D-Ariz., leaves Congress, in the opinion of Interior Secretary Stewart L. Udall.

Udall, a Democratic Party stalwart and a former congressman himself, was taking a moment's pause in a busy day to toss off some of his thoughts on politics and public affairs to an Arizona newspaperman.

The Rules Committee had just dispatched the Central Arizona Project bill to the House floor for a long-awaited decision. The secretary marveled at how far the long-fought battle has moved.

"I think my brother, Mo, (Democrat) and John Rhodes, as captains of the battle, have done one of the most effective jobs of legislative strategy that I've ever observed," Udall said. "I want them to have a great share of the credit. These two men, in the main, deserve the credit. Never once has anyone played politics with the Central Arizona Project..."

Then, unexpectedly, "I have a feeling that now that Carl Hayden is retiring, John Rhodes, because he is the senior Republican on the public works appropriations subcommittee, is in a position to carry on where Hayden is leaving off. His position is extremely vital in the next few years."

Udall observed that Rhodes had at last chosen to make a career in the House.

"He is young, yet he is the senior Republican on that subcommittee," Udall reiterated. The Democrats would be wise, now, to do what the Republicans used to do for Hayden—they gave him only token opposition for over a decade or so, because his seniority was so important to the state. I think the Democrats ought to do this for John Rhodes."

(Rhodes came to Congress in 1953, has advanced steadily in the Republican ranks and is now GOP policy committee chairman. He at one time hoped to run for the Senate, but now would have to surrender his long House seniority; and former Sen. Barry M. Goldwater, R-Ariz., is seeking Hayden's place while Sen. Paul Fannin, R-Ariz., has the other Arizona seat. It is unlikely Rhodes would oppose either of them. Hence, his future would appear to be in the House where it is conceivable he will one day be speaker or party leader.)

A Democratic Secretary of the Interior of the United States, a former Member of this body, says that his brother and our Republican colleague,

the gentleman from Arizona [Mr. RHODES], has led his State into such a fine position by bringing this bill together and onto the floor today for enactment, and he is so important to this project, which is so acceptable to Arizona, that he, like Senator HAYDEN on the other side, should only have token opposition for so long as it takes, after we pass this authorization, to get it financed and pouring water into that State.

Mr. Chairman, California is united in support of H.R. 3300. Her entire congressional delegation in both Houses is on record to that effect. It carries out, in full, the objectives stated in a resolution of the Colorado River Board of California, adopted January 24, 1968, which is to be printed following my remarks. It is endorsed by all six of the public agencies represented on the Colorado River Board. These are the Metropolitan Water District of Southern California, the Imperial Irrigation District, the Department of Water and Power of the City of Los Angeles, Coachella Valley County Water District, San Diego County Water Authority, and Palo Verde Irrigation District. The bill in its present form is endorsed and supported by Gov. Ronald Reagan and his principal spokesman, William Gianelli, director of the department of water resources. It is approved by Attorney General Thomas C. Lynch. His legal opinion rendered to the Colorado River Board of California also will appear below.

California's objectives have been, and are, first, the protection of our existing uses; second, augmentation of the river; third, financing to assure that augmentation. On these conditions, we can and do support those provisions of the bill which authorize the central Arizona project and other provisions which are for the benefit of the upper basin States.

GENERAL BACKGROUND

Of these objectives, the one which has caused the greatest difficulty between Arizona and California, and which this bill satisfactorily resolves, is the shortage formula. Another very vital subject the bill deals with is the Mexican Treaty burden. After discussing the general background of this legislation I shall discuss these two features in some detail so that this record may be inclusive. In Hollywood's wild West it is easy to spot the good guys—they wear white hats. In today's real life West it is not so easy. A gigantic water battle wages and both sides deck out in the white of righteousness. The result is somewhat confusing, particularly here in Congress where the struggle now focuses.

The battle and its issues are wrapped up in H.R. 3300, the bill before us to authorize \$1.3 billion for eventual construction of a series of projects to permit growth in the arid West. It will benefit seven States and affect a vast area of approximately 242,000 square miles—about one-twelfth of the continental United States. Mexico, our neighbor to the south, has a stake in it too, for the lower reaches of the Colorado wind through that country to the Gulf of California. The whole Nation, however, is the real beneficiary because its strength

is the aggregate of the strength of its various regions.

The project's proponents are the responsible water officials of Utah, Wyoming, Colorado, New Mexico, Nevada, Arizona, and California. Faced with spectacularly rising population curves and burgeoning new demands for municipal, industrial, and agricultural water, they foresee a bleak future of drought and economic stagnation unless H.R. 3300 is enacted. Further, they see in the sensible revenue provisions of the measure a practical means to price water within reasonable relationship to its users' ability to pay.

The project's opponents are a coalition of objectors who I believe are generally well meaning but fail to remember or realize that only by bold investments in our country's future and through the process of cooperation between the States and regions can that future be preserved and the general welfare of America assured.

Basic to this battle is the conflict which inescapably occurs when a dynamic, expanding society reaches physical boundaries tending to contain it. For centuries the consequence in Europe has been bloody wars. In America it has been water wars.

How did the fight begin? What are the facts and fancy?

The beginning was long ago. The current battle is only the latest of a century-long series of water wars dotting the history of the arid West. Pioneers turned to the Colorado's waters for their needs when the States involved first were settled. By the law of the West appropriation of water for "beneficial consumptive use" creates a right to continue that use indefinitely against subsequent appropriators. While the land remained sparsely settled water rivalries arose on a local basis. Later, as population increased, more rapidly growing States, particularly the southern section of California, begin appropriating uses of the Colorado's water at a rate alarming to the others. Growing California, it was feared, would lay claim to a lion's share by prior appropriation before maturity in the other States would grant them their rights. Local rivalries ripened to interstate contests.

Defensive actions by California's neighbors took the form of blocking her reclamation projects in the Senate. Their success hinged on the fact that smallness of a State's population does not dilute its political power in that body. Senators from the Upper Colorado River Basin States of Wyoming, Utah, New Mexico, and Colorado ganged up with Arizona's and Nevada's to outvote the two from California, the other lower basin partner.

Not until 1922 was the impasse partly broken by a compact amongst the seven Colorado River Basin States negotiated at Santa Fe, N. Mex., under guidance of Herbert Hoover, just back from Europe as post-World War I food relief czar. The compact did not divide the Colorado's water amongst the States, but between the upper and lower basins, with the dividing line at Lee Ferry in northern Arizona. It left to the respective States

the further task of allocating basin entitlements between them.

The compact was written in acre-foot terminology—an amount of water covering an acre of land to a depth of one foot, roughly 325,000 gallons. Along with other provisions, it gave each basin a right to beneficial consumptive use of 7½ million acre-feet annually. The lower basin was authorized to increase its use by 1 million acre-feet per year if surplus water was available. Water to which Mexico might be entitled, and the amount was assumed to be small, was to be deducted first from the surplus and then equally from each basin's allocation. With this exception the basins now were freed to appropriate water permanently to beneficial consumptive use up to the limits of the compact and, on a temporary basis, use water in excess of that amount until uses in the other basin required its retention. The slower developing upper basin was protected against the fast developing lower basin, exemplified by California.

Without the pressure of rapid growth and expansion during the 1920-50 period, the upper basin moved leisurely and amicably to an agreement in 1948 dividing up their water.

The situation was quite different to the south. Arid southern California desperately wanted the Boulder Canyon project based on Hoover Dam. It wanted the all-American canal to make Imperial Valley an oasis. It wanted large-scale importation of Colorado River water to its coastal plain via a massive aqueduct planned by the Metropolitan Water District of Southern California. Arizona wanted none of this. Its strategy was to throw every possible roadblock against acquisition of water rights by the growing giant next door. It refused even to ratify the 1922 agreement. It declined to agree on a division of Lower Basin water. In Congress it fought a bitter delaying action against the Boulder Canyon Project Act, first introduced in 1922, and stalled from passage until 1928.

Congress, wearied of the running Arizona-California feud, determined by that act to settle it. It said before Hoover Dam could be started, California must renounce all claims to over 4.4 million acre-feet annually of Colorado River water, plus one-half of surplus waters, if any. A 2.8 million acre-feet allocation was suggested for Arizona and 300,000 acre-feet for Nevada. In 1929 the California legislature agreed to the limitation. Thus began the process of writing a formula to allocate equitably the shortages of the river. That process we are continuing here today. Construction of Hoover Dam at last began in 1930 despite threats by Arizona's Governor to call out his National Guard to halt the groundbreaking. It was not until 1944 that Arizona reluctantly ratified the Santa Fe compact in order to sign a contract with the Department of the Interior for its stipulated 2.8 million acre-feet of water.

During that same World War II year, 1944, a treaty with Mexico was ratified giving it a surprisingly large 1.5 million acre-feet of the Colorado's water annually. The actual burden of this treaty is

not 1.5, but approximately 1.8 million acre-feet to account for water lost through evaporation and regulation of the delivery to Mexico.

By itself the superimposed Mexican Treaty burden was an unexpected, but not staggering blow. Taken with more complete data on the Colorado River's actual water supply accumulated following the compact, it ran up a life-sized red warning flag. The Santa Fe negotiators, it turned out, had divided up more water than the river supplied. This deficit now was to be augmented further by the imposing treaty burden. The gap between water expectations and water realizations of the States was staggering. In short, the water bankruptcy of the river became clear and certain.

The seeds of violent controversy between the States along its banks again were sown. This time the mere division of an assumed water sufficiency was not the issue. The dispute transmuted to a dreaded responsibility to allocate a frightening deficiency. Arizona moved quickly in 1946 to insulate itself from any deficiency allocation by asking Congress for the central Arizona project measured by the State's full 2.8 million acre-feet claim, undepleted by any shortages in supply. California and others counter-moved by stalling legislation. Frustrated in Congress, Arizona moved its battle to a new arena in 1952. It filed suit against California in the Supreme Court to enforce its hopes and desires.

The Court rendered its decision in 1963. It refused to consider the question of deficits. That hot potato was tossed back to the Secretary of the Interior and Congress. In the process California's 4.4 million acre-feet paper allocation of water was confirmed. The Court further decreed that the considerable waters of an Arizona tributary of the Colorado, the Gila River, need not be counted against Arizona's 2.8 million acre-feet paper allocation. This was a bitter blow to California as it meant, in practical effect, the Colorado River's deficit was not to be lessened by the Gila's estimated 1.75 million acre-feet flow.

Anticipating the possibility of a dismal day in court, California fought hard during the mid-1950's to delay legislation sought by the upper basin States to approach their compact entitlements use of Colorado River water. Water rights and compacts to the contrary, California theorized that as long as wet water flows down the river it is not held upstream and consequently is available for use in existing California projects. She gained 4 years delaying passing of the upper basin's Colorado River storage project until 1956.

This contest marked the beginning of the current truce on bickering between the river States. It became apparent to California as well as to the others that fighting between themselves offers no real solution to the basic problem common to all: water bankruptcy of the river. Each passing year has brought a closer realization that the river's water ledger must be brought out of the red by a substantial augmentation of water supply. Within 20 years the actual wet water to meet California's 4.4 million

acre-feet entitlement will not be flowing due to new uses upstream. Should the central Arizona project be built, its situation will be the same. Only a little farther in the future will the same consequences plague upper basin States. Their entitlement by the compact may meet their needs, but water actually available will not.

Out of the decade's background of bitterness that I have recited the water statesmen of these warring States at last have achieved a fair peace. Its equitable terms are embodied in the provisions of H.R. 3300. It is before you now for ratification. If you will but do so, the West and the Nation will be enhanced.

Although the seven Colorado River States may agree on little else, all are now convinced that a dire future of drought can be avoided only by augmentation of their river basin's deficit water supply through augmentation by some means: importation of surplus, unused, unneeded water from sources outside the natural drainage basins of the Southwest, desalination, weather modification, and other means as H.R. 3300 would study. And at this point it must be emphasized that absolutely no proposal for importation could be made unless it fully provides for the water needs of any area of origin. Of equal importance the bill provides for a means for repaying the cost of the projects authorized by a basin fund into which revenues will pour, not only for this purpose but also to pay for any augmentation measures which may later be found appropriate and which, of course, are approved by Congress and all States involved. The bill states that the cost of supplying the first 1.5 million acre-feet of augmentation logically ought to be a national obligation since the obligation to supply that amount of water to Mexico is a national obligation assumed by solemn treaty. However, this legislation does not make it a national obligation or commit the United States to spend a cent of money on augmentation to supply the Mexican burden. It states only this Congress' feeling as to the equities involved. Any future Congress which actually takes up the augmentation implementation is wholly free to say how it shall be financed.

This bill includes other features acceptable to all seven States by way of give-and-take compromises, such as:

Authorization of the central Arizona project for Arizona.

Authorization of five new participating projects for the upper basin.

Assurance to California that calculation and allocation of the river's water deficit will acknowledge its prior acceptance of the first burden of shortages by limiting itself.

A provision guaranteeing first claim to the areas of origin of water imported from them. That is to say, not one drop of water they need can ever be taken away from them.

Despite the area-of-origin protective clause, States of the Pacific Northwest—Washington, Oregon, Idaho, and Montana—violently oppose the legislation. They fear imports will come from their Columbia River. Such opposition is not rational in context of these States' am-

ply generous water supply. It is only explainable by the fact that they have such an excess of water in relation to their needs that they have never studied carefully what their present and future needs are. They have not studied it carefully in relation to possible future needs based on expansion during the decades ahead. They do not want to take chances on unknowns. Further, their numerous Congressmen, Senators, Governors, and candidates for office at all levels find mounting a crusade "to save the Northwest's water from greedy California" is much more productive at the polls than debating more controversial issues. Otherwise they would not ignore the total effectiveness of the protective clause. There is as much chance of imports from northern California as there is from the Pacific Northwest. In California we are already moving our water around the State under such protection and we know it is iron-clad and it works.

There can be but two alternative results of this battle. If good sense prevails, H.R. 3300 will pass without crippling amendments and the West will have water. If the opposition's campaign succeeds, there will be disastrous and lasting water shortage throughout one-twelfth of the U.S. continent. Down the drain with the wreckage will go the water future of my own and six neighboring States. Funds for and hopes of augmenting the Colorado River's inadequate water supply will not be available. Even studies aimed at water augmentation will be scrapped and so will relief from the Mexican treaty burden. A delicately structured compromise will be brutally shattered and the Colorado River States will be relegated to a hopeless future of internecine water warfare. Arizona does not ask for prostitution of the legislation to a parochial central Arizona promotion by the elimination of these features which make it a regional plan valuable to all seven States. Colorado does not ask for special preferment, nor does California nor Utah nor any other States involved ask another to commit water *hara-kari*. Why should these pleaders from everywhere ask us to do so?

As a Californian, I am further concerned that the bogus fears of the politicians from the Pacific Northwest or the groundless and unfair reluctance and refusal to own up to a national treaty obligation or the "central Arizona project only" flim-flam or the callous rejection of a fairly arrived at settlement of the decades-old Arizona-California dispute or other bill-gutting maneuvers may recklessly murder this plan so interwoven with the destiny of the West.

I plead that crippling amendments to this bill be beat down and that it receive your approving vote intact so that 30 million of your fellow citizens may have the opportunity to develop their precious water resources in harmony and plan wisely together for the future's many more millions of Americans who will inherit and inhabit this land and who must have their opportunity to make it grow apace with the rest of our Nation.

Now I wish to discuss in detail two

features of the bill before us that I have mentioned in a general way. These are the Mexican Treaty burden and the 4.4 shortage formula.

THE MEXICAN WATER TREATY

The Colorado River Basin project bill, faces up to the fact that performance of the wartime Mexican Water Treaty is causing a water shortage on the Colorado River, which will frustrate the interstate apportionment made by Congress in the 1928 Boulder Canyon Project Act, as well as the interbasin apportionment made by the Colorado River compact. Title II of the bill accordingly, and properly, directs the Secretary to investigate means of augmenting the river characterizes the treaty as a national obligation in section 202, and tells him to treat as nonreimbursable the cost of the augmentation works required to offset the treaty burden in 401. The Secretary of the Interior and the Bureau of the Budget have approved this principle.

The Secretary reported to the House Interior and Insular Affairs Committee May 17, 1965, during hearings on H.R. 4671, at page 9:

An alternative approach, of course, to assure the maintenance of main stream prices for not to exceed 1,500,000 acre-feet of imported water per annum would be to retain the nonreimbursable allocation, now provided for in section 402, to replenishment of deficiencies in main stream water occasioned by Mexican Treaty deliveries, with the limitation that the nonreimbursable costs be limited to those associated with the importation of not to exceed 1,500,000 acre-feet for replenishment purposes. In the Bureau of Budget's view this alternative, too, would be applicable if the Congress considered the Lower Colorado River situation unique.

The Bureau of the Budget had reported to the Senate Committee on Interior and Insular Affairs on May 10, 1965, on S. 1019, 89th Congress, reprinted in hearings, House Committee on Interior and Insular Affairs on H.R. 4671, 89th Congress, page 17:

The Bureau does recognize, however, that one of the important demands on the river is to provide water necessary to meet commitments made by the U.S. Government to the Republic of Mexico in the treaty of 1944. Should the Congress decide that the situation is unique, we believe that the price guarantee should be further limited to not more than 1.5 million acre-feet of water annually, the amount required to meet the U.S. treaty obligation. With this proviso, the chances would appear minimal, based on Department of the Interior estimates, that any imported water would have to carry a price higher than main stream water—at least in the period through year 2030.

The U.S. Department of Justice properly conceded, in its proposed findings and conclusions submitted to the U.S. Supreme Court's Special Master in Arizona against California at page 47:

"If such shortage should occur, it would be by reason of the Mexican Treaty obligation."

The above caption restates the second point of our Proposed Conclusion 11.15. We think argument is not necessary to support it.

Like all treaties, the Mexican Water Treaty is, of course, a national obligation, and the bill so states, but the circumstances back of this particular treaty would make it a particularly shocking injustice to impose the treaty's financial

consequences on the Colorado Basin States alone.

The facts are these:

THE BOULDER CANYON PROJECT ACT (45 STAT. 1057)

In 1928 the Boulder Canyon Project Act stipulated in section 1 that the waters stored in Hoover Dam should be dedicated to "beneficial uses exclusively within the United States." The bill as reported by the Senate Committee on Irrigation and Reclamation read simply "beneficial uses within the United States." Senator Pittman, chairman of the Foreign Relations Committee and member of the reporting committee, explained in the CONGRESSIONAL RECORD of December 10, 1928, at page 338:

A treaty may never be necessary with regard to this. Whenever a treaty is necessary with regard to this matter, the burden of applying for that treaty will be on Mexico, not on the United States.

When we use this water which we store, it will be used before it can possibly get to Mexico, except such of the return as may go there. If Mexico maintains that she is being deprived of water from the Colorado River to which she is entitled, she has only one known legal remedy, and that is, through the State Department of Mexico, to protest to the State Department at Washington, to see if a harmonious adjustment can not be brought about.

We might seek to enter into a treaty with regard to what water could be used in Mexico. In the first place, you would have a question as to whether, if it was already being used, any treaty could take away any vested rights. We know no statute can, and I hold that a treaty is only a statute.

We will assume, however, as a violent conclusion, that the Secretary of State of the United States would enter into a treaty with Mexico, giving them many times the amount of water to which they were entitled, from the natural flow of this river, and, to do so, should attempt to injure some vested rights in this country, to take away from people the use of water they had been legally using for irrigation.

That treaty would have to come to this body for ratification before it would ever be a treaty. It would take two-thirds of this body to ratify it. It is totally inconceivable, if we pass this bill, which states that all of the impounded water above the natural flow shall be used exclusively in the United States, that they would ratify any such treaty. They would have just as much right to say to Mexico then, as they would have if we would pass just such a resolution as the Senator from Utah has read: "You never had any right under the comity of nations to the stored waters of our country. Your rights were solely limited to the natural flow and the use to which you put the natural flow. Then, in addition to that, the Congress of the United States passed a public act in which they stated to you and the rest of the world that all of this impounded water was to be used exclusively in the United States. You and your citizens had notice of it. You cannot complain that you are now injured because you took no notice of it."

There is not a chance in the world of Mexico ever getting anything except that which she is morally entitled to under the comity of nations, and we know just what that is.

But, to make doubly sure, the Senate added the word "exclusively."

The Congress, in the same act, granted the consent of Congress to the Colorado River compact, section 13, and directed in section 8a, that the United States

and all of its water users should be controlled by that compact. Article III(c) of that compact provides:

(c) If, as a matter of international comity, the United States of America shall hereafter recognize in the United States of Mexico any right to the use of any waters of the Colorado River System, such waters shall be supplied first from the waters which are surplus over and above the aggregate of the quantities specified in paragraphs (a) and (b); and if such surplus shall prove insufficient for this purpose, then, the burden of such deficiency shall be equally borne by the Upper Basin and the Lower Basin, and whenever necessary the States of the Upper Division shall deliver at Lee Ferry water to supply one-half of the deficiency so recognized in addition to that provided in paragraph (d).

The Congress proceeded on the assumption that the water supply was substantially more than 18 million acre-feet and therefore there was at least 2 million acre-feet of "surplus" to satisfy Mexico above the 16 million acre-feet of consumptive use allocated by the compact, 7.5 million to the upper basin, per article III(a), and 8.5 million to the lower basin, per articles III (a) and (b).

Accordingly, Congress in section 4(a) directed the allocation of 7.5 million acre-feet of the water apportioned to the lower basin, 4.4 million to California, 2.8 million to Arizona, 300,000 to Nevada, and directed that the "excess" above that quantity, the million referred to in article III(b) plus the "surplus" above 8.5 million, should be equally divided between Arizona and California.

WORKS BUILT IN RELIANCE ON THE PROJECT ACT

Between 1928 and 1944 over \$600 million was invested by the United States, underwritten by lower basin water and power users, and by water users in the lower basin States to put water to use in reliance on the assurance of Congress that no agreement would be made with Mexico that would invade the basic 7.5 million acre-feet that Congress had apportioned among the three lower basin States; that only the uses in excess of that quantity were at the hazard of any future treaty; and that the foreseeable surplus water would more than satisfy any probable treaty.

THE MEXICAN WATER TREATY, AND ITS MISTAKEN WATER SUPPLY ASSUMPTION

In 1941, in wartime, the State Department undertook negotiations with Mexico for a treaty to encompass the Rio Grande, where most of the water originates in Mexico but is largely used in the United States, and the Colorado, where all the water originates and is stored and conserved in the United States; Mexico contributes no water and has no sites for storage dams. Obviously, any treaty would be a trade of Colorado River water to Mexico for Rio Grande water for lands in Texas. Both nations negotiated on mistaken estimates of the water supply.

Mexico asserted that the available supply was 18,400,000 acre-feet annually, and stated, according to VI "Foreign Relations of the United States, Diplomatic Papers 1942," at page 550; published by the State Department in 1963:

This means a surplus of 2,400,000 acre-feet annually, which amount could be allowed to Mexico without injury to its northern neighbor.

Our State Department replied at page 561:

Based upon the best data presently available, the total virgin flow of the river is estimated at 18,000,000 acre-feet per annum on the average, leaving an estimated average quantity of 2,000,000 acre-feet per year to take care of reservoir losses and for future allocations in the United States. This water can all be beneficially used in the United States. Projects in operation and under construction in the lower basin of the United States at the present time will use 9,140,000 acre-feet of Colorado River water per year. This is 640,000 acre-feet more than the firm allocations of the Colorado River Compact to the lower Basin States. These projects do not comprehend the total possibilities of the lower basin.

In addition it must be borne in mind that we are here dealing with average figures which do not take into account extended periods of low run-off such as have been recently experienced, where American developments would necessarily be deprived of sufficient water if any substantial amount was guaranteed to Mexico. It is quite possible that in years of abnormal run-off 2,000,000 acre-feet of water or more could be delivered to Mexico without deprivation to lands in the United States, even after ultimate developments in the United States. In the average year, however, the amount that could be so delivered would be very much less than this figure, and during dry cycles much less than 1,000,000 acre-feet would be available without serious deprivation to American interests.

Mexico's estimates of the water supply and that amount which will be available for ultimate use were undoubtedly based on early figures which have been shown by later surveys to be inaccurate. When the Colorado River Compact was negotiated in 1922 it was assumed that total water production in the basin was about 19,000,000 acre-feet. Sixteen million acre-feet were allocated by the Compact. Subsequent stream flow records have indicated that the 1922 estimate was too high.

Later, and mistakenly, the American negotiators shifted to higher estimates. A Mexican negotiator reported to his Senate as reprinted in full in U.S. Senate Document 98, 79th Congress, and in part in Senate Document 249, 79th Congress, at page 14:

The negotiations of the treaty on the part of the American delegation and later its approval by the American Senate were made by taking as a fundamental basis the official document called the Santa Fe agreement, which with the approval of the American Federal Government distributed, since 1922, the main stream of the Colorado River among the American States of the upper and lower basins, and specified that the waters assigned to Mexico should be taken from the excess which the average virgin volume of the river (22,000,000,000 cubic meters) (17,835,000 acre-feet) had over the volume distributed among the American States of the upper and lower basins (20,000,000,000 cubic meters) (16,213,600 acre-feet). Our assignment of 1,850,000,000 cubic meters (1,500,000 acre-feet) is included, then, within the 2,000,000,000 cubic meters (1,621,000 acre-feet) of the difference.

It is clear that both the American and Mexican negotiators thought they were disposing only of waters that the Colorado River compact describes as "surplus," entailing no curtailment of uses of water apportioned by the Colorado River compact.

The treaty actually signed, in 1944, Treaty Series 994, 54 Stat. 1219, guar-

anteed Mexico a minimum of 1.5 million acre-feet annually, measured at the boundary. But the actual burden on the American water supply occasioned by this guarantee is about 1.8 million. This is because the United States absorbs all reservoir evaporation and channel losses, and because the treaty gives the United States credit only for water delivered in response to Mexican schedules of demands, with no credit for overdeliveries, which are unavoidable. Wartime exigencies, plus the desire to have this agreement signed before convening of the conference to organize the United Nations, accounted for some of the concessions granted Mexico. The guarantee to Mexico now known to be insupportable without grave damage to American interests—reads as follows:

ARTICLE 10

Of the waters of the Colorado River, from any and all sources, there are allotted to Mexico:

(a) A guaranteed annual quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) to be delivered in accordance with the provisions of Article 15 of this Treaty.

(b) Any other quantities arriving at the Mexican points of diversion, with the understanding that in any year in which, as determined by the United States Section, there exists a surplus of waters of the Colorado River in excess of the amount necessary to supply uses in the United States and the guaranteed quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) annually to Mexico, the United States undertakes to deliver to Mexico, in the manner set out in Article 15 of this Treaty, additional waters of the Colorado River system to provide a total quantity not to exceed 1,700,000 acre-feet (2,096,931,000 cubic meters) a year. Mexico shall acquire no right beyond that provided by this subparagraph by the use of the waters of the Colorado River system, for any purpose whatsoever in excess of 1,500,000 acre-feet (1,850,234,000 cubic meters) annually.

"In the event of extraordinary drought or serious accident to the irrigation system in the United States, thereby making it difficult for the United States to deliver the guaranteed quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) a year, the water allotted to Mexico under subparagraph (a) of this Article will be reduced in the same proportion as consumptive uses in the United States are reduced."

The United States has never invoked the "extraordinary drought" escape clause, even at a time when the Secretary of the Interior was imposing a 10 percent reduction in consumptive uses below Hoover Dam.

There were those who foresaw the havoc that this guarantee to Mexico would create. Ex-President Herbert Hoover, who had been the Federal representative chairing the negotiation of the Colorado River Compact in 1922, wrote in 1944, in response to an inquiry from a member of the Senate Foreign Relations Committee to be found in Senate Document 32, 79th Congress, and House Document 717, 80th Congress at pages 159-160:

At the time the Compact was negotiated the possibility that a treaty might be made with Mexico some day was recognized, and that under it Mexico might become entitled to the use of some water. In that event, the compact divides the burden between the upper and lower basins, but it cannot be said that the compact "foreshadows" such a treaty as that now proposed.

I am sure none of the Commissioners who negotiated the compact had any idea that our Government would offer to guarantee Mexico any such amount as the 1,500,000 acre-feet stated in the proposed treaty. At that time Mexico was using about 500,000 to 600,000 acre-feet per year. Her lands were subject to a serious flood menace every year, and the silt in the river water was clogging her irrigation canals and ditches and thus threatened her whole development. It was a serious question as to how Mexico could prevent disaster to the lands she was then cultivating, much less increase that use.

Now, by means of American works, we have controlled the floodwater and silt, which is of tremendous value to Mexico. No one would want to deny these benefits to Mexico. But had it been suggested in 1922 that the United States was to be penalized in the future by having to furnish free to Mexico a volume of water, made available by works constructed in the United States to supply lands made possible of development only because of those works, I know it would have met with the opposition of the compact framers. Moreover, had the compact negotiators considered such a treaty possible as the present one, I am not sure that agreement on a compact could have been reached. Certainly, the compact that was concluded would have been different.

* * * * *

1. *As to the allocation of water.*—(a) *Quantity.*—The treaty guarantees at least 1,500,000 acre-feet per year to Mexico but contains no specific allocation or reservation of water to the United States. This guaranty takes precedence over older American users who are paying for the storage works which alone will make possible Mexico's increase of use above the quantity of approximately 750,000 acre-feet which she used before construction of the Boulder Canyon project. Each country ought to be allocated a pro rata of the flow of the river so that Mexico will share the hazards of the American water supply if she is to share the benefits of the American storage. The so-called "escape clause" entitling the United States to diminish deliveries only if her own consumptive use is curtailed by extraordinary drought is so uncertain in operation as to invite acrimonious dispute.

(b) *The impairment of existing American rights.*—The Boulder Canyon Project Act stipulated that the waters stored by that project should be used exclusively within the United States. Congress appropriated \$165,000,000 on that representation to the taxpayer. Communities in the lower basin entered into contracts with the United States reciting that pledge, and in reliance upon it have incurred over \$500,000,000 of debt to repay the Government's whole investment and to construct aqueducts, canals, transmission lines, etc., to use the water so stored and paid for. Figures used by the Reclamation Bureau show that in a decade like 1931-40, if 1,500,000 acre-feet were guaranteed to Mexico each year, some 15,000,000 acre-feet of Boulder Canyon storage would have to be drawn down for that purpose, exhausting substantially the whole active storage of the reservoir, after making deductions for flood control and dead storage. Our pledge ought to be kept. If it is to be broken, Mexico ought to be admitted no further than to a basis of parity with, not precedence over, the American users who assumed the obligation to pay for these works on the promise that the benefit would be theirs.

(c) *Quality.*—The treaty's evasion as to quality of water to be furnished to Mexico should be clarified one way or the other: Either by adding a reservation requiring Mexico to take all water regardless of quality, and even though it is unusable, which is what the State Department says this treaty means, but which must be a profound shock to Mexico; or, in the alternative, providing for the delivery of waters through the All-

American Canal only, assuring Mexico substantially the same quality as that delivered to American projects through the same canal, and disclaiming specifically the quality of any water delivered to Mexico in the bed of the stream through works which she may herself build.

As to quality, this was the sort of representation received by the U.S. Senate from one of our negotiators, as recorded in Senate Document 249, 79th Congress at page 12:

Senator DOWNEY. Mr. Tipton, is there any statement in the treaty as to the quality of water that must be delivered by the United States to Mexico?

Mr. TIPTON. We are protected on the quality, sir.

Senator DOWNEY. *That is, you would mean by that statement that we could perform the terms of our treaty with Mexico by delivering to her water that would not be usable?*

Mr. TIPTON. Yes, sir.

Senator DOWNEY. *And you think that some court in the future would uphold that kind of interpretation, that we could satisfy in whole or in part our obligation to Mexico under this treaty of delivering 1,500,000 acre-feet of water, even though some or all of it were not usable for irrigation purposes?*

Mr. TIPTON. *That is my interpretation of the treaty, sir. During the negotiations, that question was argued strenuously. Memoranda passed back and forth during negotiations indicate what the intent was. Language was placed in the treaty to cover that situation and to cover only that situation.* [Emphasis supplied.]

Not surprisingly, the Mexican negotiators gave the opposite report to their Senate:

That was covered in the treaty when it spoke of waters for irrigation. No one would be able to sign a treaty to give or receive waters of bad quality because both parties would suffer damage therefrom.

The dependence of Mexico on Hoover Dam storage, dedicated by the Project Act to the exclusive benefit of American water users, was conceded by one of the principal Mexican negotiators, reporting to his own Senate as reported in U.S. Senate Document 249, 79th Congress, at page 9:

This graph shows clearly that in the irregular form in which the flows would occur, Mexico, instead of receiving benefits would repeatedly sustain damage; as a rule when the water was available, it would descend in veritable floods which would destroy everything; and on other occasions in the months of the greatest scarcity and the greatest necessity, the channel would be dry.

Instead, the waters that Mexico will receive in accordance with the treaty will be received regulated by the American works, and at the appropriate time for their application to the lands. For this purpose there is established in the treaty, procedure by means of which the Mexican section of the International Boundary and Water Commission will present each year, in advance, to the American section of the same Commission monthly tables for delivery of the water which our lands are going to need for the following year; and, what is more, there is a stipulation that these tables can be varied 20 percent, plus or minus, 30 days in advance, in the event that the forecasts that shall have been made are not exact. * * *

In the same graph to which I referred it is shown clearly that even supposing that not a single drop of water of the Colorado River were retained in American territory, the irregular form in which the discharge would arrive in our country would not permit any important area of land to be irrigated; that

is to say, supposing that there is accepted as correct the conclusion to which Lic. Manzanera del Campo arrives, not only would we be unable to increase our irrigation system on the Colorado River in Lower California and Sonora up to 200,000 hectares in round figures, as we are going to do when the treaty enters into effect, but probably the area already irrigated would have to be reduced considerably. * * *

At page 10 of the same document another Mexican negotiator reported:

We Mexican engineers, when we saw that these gigantic works were being executed, understood that there approached the critical moment for Mexico in which the lands of the Mexicali Valley ran the danger of returning to their condition of one of the most inhospitable deserts in the world through lack of water, since our country would have to depend on taking water, in the manner that it might best be able to do it, from the Colorado River by using occasional surpluses that might flow through said river.

That is, even when it is true that the total volume of the surpluses which flow through the Colorado River will still be very great in many years, its current is from now on so irregular that it can be stated that, while during some weeks the Mexican lands of the Mexicali Valley can be dying of thirst, in the following weeks they may be choked and submerged by the inundations provoked by discharges from the American dams.

It is necessary to note that as Mexico did not have any place to regulate the waters of the Colorado River in order to distribute them day by day, during each year, according to the needs of irrigation, it was necessary to arrange by means of the treaty for the United States to deliver that water to us regulated to our wishes within certain limitations which do not impose on us any sacrifice for any plan of cultivation that is followed in Mexicali Valley. For this service of regulation of that water, our country does not have to pay a single cent.

It is wholly unclear whether the "extraordinary drought" clause would enable the United States to protect its reserves in storage, or whether American reservoirs must be drawn down without limit to satisfy the treaty burden, so long as American consumptive uses are not reduced below some quantity, itself unstated, unless it is assumed that the compact apportionments are the implied criteria for this purpose. This was typical testimony before the Senate committee as reprinted in Senate Document 249, 79th Congress, at pages 16 and 17:

Mr. TIPTON. * * * Senator Millikin asked two questions. His first question was, as I understood it—and I hope the Senator will correct me if I am wrong—if there was no curtailment in the consumptive uses, but there was a depletion of reservoir capacity, whether or not we could invoke this provision. I said I did not think so.

His second question was this—that if, accompanying the commencement of depletion of water in main stream storage, there also was a curtailment of use—actual curtailment of consumptive use—by virtue of a lack of water in the upper basin above our main stream reservoirs, whether or not under that condition this provision could be invoked. I said that it could be so interpreted.

Senator LA FOLLETTE. But you were not certain?

Mr. TIPTON. I was not certain.

Senator LA FOLLETTE. One other thing that I got from this series of questions was the fact in the negotiation of this treaty, in

which you participated, as I understand it, there was not very much discussion of this provision with the Mexican negotiators. I came to the conclusion, therefore—and if I am wrong, I wish to be corrected—that this particular language in the treaty—this drought-clause language—was arrived at without a full meeting of the minds of the negotiators as to what its actual provisions involved.

Mr. TIPTON. I think, Senator, that that resulted from this fact—

Senator LA FOLLETTE. Is that true? Am I correct in that deduction?

Mr. TIPTON. You are substantially correct, sir.

Senator LA FOLLETTE. Was there any difference of opinion among the American negotiators as to how it would be interpreted and how it would be invoked and how it would be operated if it was invoked?

Mr. TIPTON. I hesitate to say that there was a consensus of the negotiators that it would be invoked when curtailment in the upper basin was caused in order that the upper basin might make its delivery at Lees Ferry. That was discussed as one criterion. I would hesitate to say, Senator, that there was a consensus of the American negotiators on the basis, and I would not say there was not consensus. That condition would be a most unfavorable interpretation to the United States, and, in my opinion—my personal opinion—that would be a measure which could not be controverted.

Senator LA FOLLETTE. I understand that that would be one criterion, one way to measure it; but I must say that it does strike me as rather strange that this provision got into the treaty without a full understanding on the part of the United States negotiators as to exactly what it meant, how it would operate, and when it would be invoked; and, secondly, that that understanding on the part of the United States negotiators was not conveyed to, fully understood by, and threshed out with those negotiating the treaty on the part of Mexico.

Nevertheless, the Senate gave its advice and consent to the treaty; greater wartime interests of the United States compelled an agreement with Mexico. On water supply, the report of the Senate Committee on Foreign Relations, 79th Congress, first session, at pages 4 and 5 said:

According to all the testimony, the average annual virgin run-off from the Colorado River Basin is approximately 18,000,000 acre-feet a year.

The amount allocated to Mexico is thus only about 8 percent of the total supply, and the amount of firm water—that is, water which must be released from storage at Davis Dam—which will ultimately be required, in addition to return flows which will be in the river in any event, is only 3 percent or less, of the total annual supply. The balance remaining for use in the United States, or approximately 16,500,000 acre-feet on the average, will permit of a total development in the United States almost treble the present development.

Presumably then, the Mexican allocation of 1,500,000 acre-feet per year will be supplied from the amount of approximately 2,000,000 acre-feet which is estimated to be the surplus after the compact allocations, totaling 16,000,000 acre-feet, have been supplied.

By contrast, recent testimony to the House Interior and Insular Affairs Committee on H.R. 3300 now shows there is only a 50–50 probability that the long-range average will be as much as 15 million acre-feet, and one chance in four

that it will equal 16 million. Ironically, the same distinguished witness, Royce J. Tipton, who supported an estimate of 18 million in 1944 in testifying in support of the Mexican Water Treaty—his honest appraisal at that time—testified before this committee 21 years later that the hydrologic record will not longer support an estimate in excess of 15 million.

THE WORSENING WATER SUPPLY

Since the date of the treaty's ratification, the Colorado River's water supply, and the quality of that supply, have worsened. Storage in American reservoirs has been depleted, at times, to the bare minimum of operating heads of the powerplants—in grim contrast with the assumption stated in the Senate committee 1944 report on the treaty, page 9:

The use of Boulder Dam is not contemplated under the treaty for the delivery of the Mexican allocation.

Lake Mead is only half full, and it has not yet been possible to fill Glen Canyon Dam, while honoring the Mexican Water Treaty—as, of course, we have done. Mexico has complained of the quality of the water reaching her, with the consequence that extra quantities have been released from American storage to improve that quality, and expensive works have been built at American expense to bypass return flow from the Welton-Mohawk project in Arizona around the Mexican points of diversion. This, also, is in contrast with the remarkable assurance given the U.S. Senate by one of the American negotiators that the treaty could be satisfied by delivering to Mexico water of unusable quality as reported in Senate Document 249, 79th Congress, at page 12. Davis Dam, built at American expense as a treaty structure to reregulate the power discharges at Hoover, has had to be supplemented by the Senator Wash Dam, at American expense, to more nearly regulate the flows to Mexico. Sentinel Dam has been built at American expense to control floods from the Gila, which enters the Colorado just above Mexico.

The testimony before the House Interior and Insular Affairs Committee shows that the ultimate introduction of an additional 2 million acre-feet of new water of high quality into the river is essential if two objectives are to be accomplished: First, to supply the minimum of 7.5 million acre-feet annually of main stream water which the Congress apportioned among the three lower division States; second, to avoid deterioration of the quality of the water at the boundary, already containing several times the salt content countenanced by U.S. Public Health Service standards, to a level wholly unacceptable for use in either the United States or Mexico.

Water must be added to the river to offset the treaty burden. The cost of performing the treaty is, and ought to be, a Federal responsibility. There is no more justification for saddling American water users with the cost of replacing the water taken from them to export to Mexico in performance of a treaty than there would be in taking grain from the Midwest farmers without compensation in order to export it to satisfy a treaty commitment in Asia. The exclusively Federal ob-

ligation to perform the Mexican Water Treaty at Federal expense is inseparable from the exclusively Federal power to make the treaty in the first place, overriding the promises made to American water users in the Boulder Canyon Project Act that the flood waters stored by Hoover Dam would be used exclusively in the United States.

THE 4.4 SHORTAGE FORMULA

Now I turn to the second vital provision of H.R. 3300 on which I wish to elaborate; namely, the 4.4 shortage formula.

THE SHORTAGE FORMULA

Section 301 (b) and (c) of H.R. 3300 contains a shortage formula, agreed upon between Arizona and California, which settles the issues between those two States which the Supreme Court refused to decide, and which it sent the States back to Congress to settle. Thus we come full circle: In 1928 Congress, in the Boulder Canyon Project Act, wrote one-half of the shortage formula which we are about to complete.

THE FIRST HALF OF THE SHORTAGE FORMULA

In 1928, Congress had before it the Swing-Johnson bill, to authorize construction of Hoover Dam and the All-American Canal, but only on condition that all seven States of the Colorado River Basin should ratify the Colorado River compact. Arizona alone refused to ratify. So, to break this stalemate, Congress, in section 4(a) of that act, provided that the dam and canal should be built if six States ratified the compact, but, in that event, only on the added condition that California's legislature agree to limit California's uses of Colorado River water in accordance with a formula. California was then preparing to build the Colorado River aqueduct, and this, together with appropriations of water for existing projects, would bring California's use up to about five and a half million acre-feet. The U.S. Supreme Court, in the case of Wyoming against Colorado, had just decided that the law of appropriation—"first in time, first in right"—applied in interstate water controversies. The limitation on California's appropriations which Congress required was this: California's uses of the 7.5 million acre-feet apportioned to the lower basin by article III(a) of the Colorado River compact should be limited to 4.4 million acre-feet; but, in addition, California might use one-half of any excess or surplus waters available above that 7.5 million. In other words, of the 5.5 million that California was about to put to use, a firm right could be established to 4.4 million, whereas, if more than 4.4 million was used, any shortages in the water needed to supply that excess would have to be prorated. California would receive one-half of the excess, whatever it might be.

The relevant portion of section 4(a) of the Project Act reads as follows:

SEC. 4. (a) This Act shall not take effect . . . unless and until (1) the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming shall have ratified the Colorado River compact, mentioned in section 13 hereof, and the President by public proclamation shall have so declared, or (2) if said States fail to ratify the said

compact within six months from the date of the passage of this Act then, until six of said States, including the State of California, shall ratify said compact . . . and the President by public proclamation shall have so declared, and, further, until the State of California, by act of its legislature, shall agree irrevocably and unconditionally with the United States and for the benefit of the States of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming, as an express covenant and in consideration of the passage of this Act, that the aggregate annual consumptive use (diversions less returns to the river) of water of and from the Colorado River for use in the State of California, including all uses under contracts made under the provisions of this Act and all water necessary for the supply of any rights which may now exist, shall not exceed four million four hundred thousand acre-feet of the waters apportioned to the lower basin States by paragraph (a) of Article III of the Colorado River compact, plus not more than one-half of any excess or surplus waters unapportioned by said compact, such uses always to be subject to the terms of said compact.

CALIFORNIA'S INVESTMENT OF \$600 MILLION IN RELIANCE ON HER AGREEMENT WITH CONGRESS

Congress passed the Project Act; California enacted the Limitation Act just described; by 1941, the three great California projects—the All-American Canal, the Metropolitan Water District's Colorado River aqueduct and the Palo Verde project, were in operation. Altogether, California's taxpayers have spent, or mortgaged their homes, businesses and farms, to pay about \$600,000,000, in reliance upon what Arizona has sometimes called the "statutory compact" between California and the United States evidenced by the Boulder Canyon Project Act and the reciprocal California Limitation Act.

THE EFFECT OF THE FIRST HALF OF THE SHORTAGE FORMULA ON CALIFORNIA

Let us pause here to note, with emphasis, the present effect on California of this limitation, this first half of the shortage formula. It imposes the first shock of any shortage on California, drying up existing uses in California. This is because California has actually built projects to put to use 5.4 million acre-feet. California has, in fact, used 5.1 million. Accordingly, 700,000 acre-feet of present uses of water by California people must be abandoned, a million acre-feet of constructed capacity must be rendered idle, by California's performance of her promise, given in the Limitation Act, to reduce her uses to 4.4 million acre-feet if the total supply shrinks to 7.5 million. This leaves 3.1 million for a vast expansion of uses in Arizona and Nevada. Arizona expects to expand her existing uses to 250 percent of her present uses—from 1.2 million to 2.8 million. Nevada can expand her present uses nearly 10 times. But California's lost 700,000 acre-feet, now used by her people, farms, and industries, must be replaced from other sources. People must have water. It is being replaced, at an added expense of some \$30 million per year, by importations from northern California. Such is the effect of the Limitation Act, the first half of the shortage formula. California will keep her word, perform her bargain, and bear that loss. But California, her people, and her representatives in Congress, ask that Congress keep the other

half of the bargain, and to this Arizona has agreed.

THE SECOND HALF OF THE SHORTAGE FORMULA

Section 301 (b) and (c) write the second half of the shortage formula, on which Arizona and California have agreed. It is written in the phraseology of the decree in *Arizona v. California* (376 U.S. 340, 41, 42-43 (1964)). In simplest terms, it means that after California has borne the first shock of the shortage, reducing her actual existing uses to 4.4 million acre-feet, incurring a certain and known loss of 700,000 acre-feet of existing uses, the central Arizona project shall run the risk—if any there may be—of any further shortage, which reduces the whole supply below 7.5 million. But, it goes on to provide, Arizona will be protected from this consequence if, and so long as, the water supply of the main stream is augmented by the introduction of enough additional water to restore the supply to 7.5 million acre-feet.

The text of section 301 (b) and (c) reads:

(b) Article II(B)(3) of the decree of the Supreme Court of the United States in *Arizona against California* (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient mainstream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversions from the main stream for the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use by holders of present perfected rights, by other users in the State of California served under existing contracts with the United States by diversion works heretofore constructed, and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of mainstream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater than would have been imposed in the absence of this subsection 301 (b). This subsection shall not affect the relative priorities, among themselves, of water users in Arizona, Nevada, and California which are senior to diversions for the Central Arizona Project, or amend any provisions of said decree.

(c) The limitation stated in subsection (b) of this section shall not apply so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada.

As explained in the report of the House Committee on Interior and Insular Affairs, the two halves of the formula—the 1928 half, burdening California, the 1968 half, burdening Arizona—work together like this:

Subsections (b) and (c) establish a shortage formula which assures California 4.4 million acre-feet ahead of the Central Arizona Project in any year in which the water supply of the Colorado River is not adequate to provide 7.5 m.a.f. of mainstream consumptive use in the Lower Basin and to satisfy the Mexican Treaty obligation. This formula applies to all uses in Arizona, California, and Nevada under present perfected rights (which means rights existing as of

June 25, 1929, the effective date of the Boulder Canyon Project Act), under existing contracts with the United States, and existing Federal Reservation rights.

In any year in which there is insufficient main stream Colorado River water available to satisfy annual consumptive use of 7,500,000 acre-feet in Arizona, California, and Nevada, diversions for the Central Arizona Project shall be so limited as to assure the availability of water to meet present perfected rights and other uses in Arizona, California, and Nevada, including existing Federal reservations, with a limitation of 4,400,000 acre-feet on California uses. Water users in the State of Nevada will not have to bear shortages in any proportion greater than would have been imposed in the absence of this section. The relative priorities, among themselves, of the water users in the three States whose rights are senior to diversions for the Central Arizona unit will not be affected by the provisions of this section.

The effect of the limitation on California imposed by section 4(a) of the Boulder Canyon Project Act is to require California to bear the first impact of any shortage which reduces the water supply from the main stream of the Colorado River for the three States to 7.5 million acre-feet. There are existing projects in California designed and built to use 5.4 million acre-feet in anticipation of the availability of 1 million acre-feet of surplus water, and the projects have actually used 5.1 million acre-feet. Thus, California, would have to give up 700,000 acre-feet of existing uses when the main stream supply shrinks to 7.5 million acre-feet, and Arizona and Nevada require their full decreed rights. The effect of this section of the legislation is that if the supply of main stream water drops below 7.5 million acre-feet, the next impact of shortage will have to be borne by the Central Arizona Project. Under this condition diversions for the Central Arizona Project would have to be reduced to the extent necessary to assure the availability of water for use in Arizona, California, and Nevada by holders of present perfected rights and for meeting commitments to other users served under existing contracts with the United States, with the protection to California limited, however, to 4.4 million acre-feet.

The provisions in subsection (b) have the effect of implementing Article II B(3) of the decree of the Supreme Court in *Arizona v. California* which deals with shortages in the 7.5 million acre-feet apportioned by the Supreme Court. Article II B(3) directs the Secretary to first satisfy perfected rights and to allocate the remaining available water in accordance with applicable law. This section writes the applicable law which the Secretary would have to follow.

Under the provisions of subsection (c) the limitation on the Central Arizona Project diversions stated in subsection (b) will be inapplicable in any year that the Secretary determines and proclaims that means are available and in operation to augment the water supply of the Colorado River System so as to provide annual consumptive use of 7.5 million acre-feet of mainstream water to Arizona, California, and Nevada users.

A priority for present California uses, up to 4.4 million acre-feet per year, over new uses for the Central Arizona Project, has been one of the major stumbling blocks in this and prior bills. If the flow of the River is eventually augmented, as a result of the studies authorized in Title II, the problem will become academic. If the augmentation does not occur, however, the decreased amount of water estimated to be in the River for use in the Lower Basin will curtail the water supply for the Central Arizona Project.

"AUGMENTATION"

Note particularly, in connection with section 301(c), how section 606(f) defines "augment":

"Augment" or "augmentation", when used herein with reference to water, means to increase the supply of the Colorado River or its tributaries by the introduction of water into the Colorado River System which is in addition to the natural supply of the system.

This definition excludes from the meaning of "augment," as used in section 301(c), the concept of exchanges of water on the California coastal plain or elsewhere which do not result in "the introduction of water into the Colorado River system." The reason is plain enough. Additional water must be introduced into the Colorado River to meet the requirements of the Mexican Water Treaty, as well as shortages in the main stream supply otherwise occasioned. In addition to quantitative shortages, the Commissioner of Reclamation has made plain in his testimony that the introduction in to the river of 2 to 2.5 million acre-feet annually of the equivalent of "distilled water" is necessary to prevent degradation of the present quality of water, bad as it is, 1,000 parts of salt per million, to 1,400 parts whenever upper basin depletions reduce the river's flow to the compact minimum. This is nearly three times the salt content which Public Health Service standards tolerate, and is the equivalent of 2 tons of salt per acre-foot. Moreover, if the water diverted in the United States contains 1,400 parts of salt per million, the return flow to Mexico will contain a much higher concentration. The committee was, therefore, quite conscious of what it was doing when it restricted the meaning of "augmentation" to the "introduction of water into the Colorado River system which is in addition to the natural supply of the system."

This is intentionally consistent with the direction to the Secretary in section 201(a) (2) that he "investigate and recommend sources and means of supplying water requirements of the Colorado River Basin, either directly or by exchange, including reductions in losses, importations from sources outside the natural drainage basin of the Colorado River system, desalination, weather modification, and other means."

Indeed, benefits to the upper basin from introduction of water into the main stream below Lee Ferry can only come about by exchange of portions of such water, introduced in addition to that contemplated by section 301(c), for reductions in deliveries otherwise required from the upper division States at Lee Ferry. But this has nothing to do with section 301(c), and is a matter to be considered in future interstate agreements or acts of Congress.

DIFFERENCES BETWEEN H.R. 3300 AND PRIOR BILLS

Section 301(c) differs from provisions in earlier bills; for example, H.R. 4671, 89th Congress, which would terminate the priority protection whenever works are constructed to deliver 2.5 million acre-feet annually of imported water into the main stream. The difference is important in two respects: First, H.R. 3300 contemplates that, inasmuch as the lower basin shortage may be expected to materialize gradually as uses in the upper basin develop, successive introduction of a series of relatively small increments of additional water into the river may re-

store the lower basin supply, for a time, to 7.5 million acre-feet, so that the necessity for reductions in central Arizona project diversions may be successively postponed; second, under H.R. 3300 the protection of California's priority—and that of existing uses in Arizona and Nevada—does not cease upon the happening of a particular event. The change relieves Arizona from the fear that a major importation program will be inordinately delayed, thus requiring indefinite curtailment in Arizona's diversions, while reassuring California that the protection of her existing investments will not be erased, once for all time, by construction of augmentation works which subsequently prove to be inadequate to permanently restore the full 7.5 million acre-feet of supply. Both States regard this as a fair compromise.

THE SUPREME COURT DECISION IN ARIZONA AGAINST CALIFORNIA

In justice to our Arizona friends who participated in the negotiation of this compromise, and who are unjustly attacked for having given up something that their opponents say quite incorrectly, that the Supreme Court gave Arizona, let us set the record straight.

In 1953 Arizona brought her fourth suit against California in the U.S. Supreme Court. This time the United States intervened, so that the Court for the first time had jurisdiction to proceed to a decree, and did so. The Court referred the case to a special master for trial. In this trial, Arizona made the claim that Congress and the California legislature had intended not only that California's uses which were in excess of 4.4 million acre-feet must be prorated with Arizona's—which California freely admitted, because section 4(a) says "one-half of any excess or surplus"—but also that, in the event that the supply should be less than 7.5 million acre-feet, California's use of the basic 4.4 million acre-feet, which California water users had appropriated and put to use at a cost of \$600,000,000, was also subject to proration with Arizona's later uses. California, of course, resisted this contention, pointing to the language of section 4(a), which related this 4.4 million to "present perfected rights" and "rights which may now exist," in addition to "uses under contracts made under the provisions of this act."

The special master filed a report with the Supreme Court in 1961. He proposed to divide the first 7.5 million acre-feet of the waters of the main stream 4.4 million to California, 2.8 million to Arizona, 300,000 to Nevada. He would divide the "surplus" above 7.5 million one-half to California, one-half to Arizona—with the possibility of reducing Arizona's share of this surplus to 46 percent, giving Nevada 4 percent. The significance of this was not in the apportionments to the three States—these quantities had long since been agreed to, and were not in controversy—but in the exclusion of the Gila and other tributaries from contributions to the "fund" of water thus divided. The primary effect was to eliminate all possibility of "surplus"; that is, the category on which California was required by her limitation act to depend for water in excess of 4.4 million. But, as evidence before the House

Committee on Interior and Insular Affairs has conclusively demonstrated, the future dependable water supply of the Colorado River Basin will be so low that there would be little or no "surplus" above 7.5 million acre-feet, even if the flow of the lower basin tributaries were added to the main stream flow. Consequently, while the apportionment which the special master recommended was widely hailed as a victory for Arizona, his apportionment actually was not of practical significance.

What was of tremendous significance in the master's report was his proposed shortage formula, to govern if less than 7.5 million acre-feet were available in the main stream. Although, as we shall see in a moment, the Supreme Court unanimously reversed him on this shortage issue—while sustaining his apportionment—the master's formula requires our attention because of the persistently erroneous assertion that his rejected proposal is indeed the law of the land, and that H.R. 3300 reverses it.

The master proposed that if less than 7.5 million acre-feet is available in the main stream, the supply be prorated forty-four seventy-fifths to California, twenty-eight seventy-fifths to Arizona, three seventy-fifths to Nevada—the numerators, of course, being related to the apportionments, the denominator to the total apportioned.

The Supreme Court unanimously rejected and set aside the special master's shortage formula. It did not get a single vote. Instead, three Justices voted to substitute the law of priorities, interstate. Five Justices held that there was no shortage formula before the Court, and declined to fashion one. They said that the Secretary had authority to devise a shortage formula, and, if he did, it could be reviewed by the Court. But, more significantly, the Court said that Congress had final authority, and could write its own shortage formula.

To drive the point home, the Court went still further in its decree. It restricted the apportioning authority of the Secretary and the Congress, in the event of shortage, to that portion of the water supply which is in excess of the requirements of "present perfected rights." These it defined as water put to use before the effective date of the Project Act, June 25, 1929, plus the rights of Federal reservations. And, as to this excess—which will be relatively small, in the light of the testimony on H.R. 3300—the Court directed that the apportionment be not only in accordance with the Boulder Canyon Project Act, but also in accordance "with other applicable Federal statutes."

As the House committee report says, quite accurately, H.R. 3300 now writes the "applicable Federal statute" which controls the Secretary's allocation of shortages.

Reproduced below are the January 24, 1968, resolution of the Colorado River Board of California, reaffirming its position taken November 1, 1967, stating California's objectives, embodied in H.R. 3300, 90th Congress, as reported out of the House Committee on Interior and

Insular Affairs, and the opinion of Attorney General Thomas C. Lynch, of California, on the application of the provisions of the Supreme Court's decree in Arizona against California which relate to water shortages, together with relevant portions of the special master's shortage formula, which the Supreme Court rejected, the Court's opinion, and its decree:

RESOLUTION OF THE COLORADO RIVER BOARD OF CALIFORNIA, JANUARY 24, 1968

The Colorado River Board of California unanimously approves the following statement with respect to Colorado River legislation. This reaffirms its position taken on November 1, 1967.

COLORADO RIVER LEGISLATION, 90TH CONGRESS

We regard H.R. 3300, 90th Congress, which is a reinstatement of the seven-state agreement embodied in H.R. 4671 in the 89th Congress, as eminently fair, and regret Arizona's withdrawal from her agreement.

Arizona's present bill, S. 1004, repudiating that agreement, is totally unacceptable.

In our view, California can continue to support construction of a Central Arizona project if, but only if, the pending proposals for modification of H.R. 3300 preserve three features essential to California, stated below:

1. *Protection of existing uses.* We must insist upon the principle stated in H.R. 3300 for the allocation of water shortages, irrespective of how it may be expressed. This is the universal principle of western water law, that existing uses shall not be impaired to make water available for new ones. The Boulder Canyon Project Act in 1929 limited this protection for California to 4.4 million acre-feet annually. The result is that California's presently existing projects, which were constructed to use 5.4 million acre-feet at a cost exceeding \$600,000,000 and are now furnishing 5.1 million acre-feet of water annually to more than half of California's population, must bear the full impact of shortages which reduce the Lower Basin's total mainstream supply to 7.5 million. California is then reduced to 4.4 million, while leaving 2.8 million for Arizona, 300,000 for Nevada, to make possible large expansion of uses in those states. California's legislature agreed to this in 1929 because Congress required it of us if construction of Hoover Dam were to proceed notwithstanding Arizona's rejection of the Colorado River Compact. We will live up to that burdensome limitation, but we did not agree then, and will not agree now, to any deeper cut, below 4.4 million. If the supply is less than 7.5 million, the next loss must be borne by Arizona, and diversions for the Central Arizona project must be reduced, as H.R. 3300 requires, in the amount necessary to supply the requirements of existing projects in Arizona and Nevada, and 4.4 million acre-feet of the requirements of existing projects in California.

2. *Augmentation.* Inasmuch as the assurance of 7.5 million acre-feet of mainstream consumptive uses will require the introduction of about 2.5 million acre-feet of new water annually into the river below Lee Ferry, the bill should authorize investigations of means to accomplish at least this minimum objective. The protection of existing uses must continue until that objective is accomplished. To facilitate passage of the bill, we would reduce the target figure for planning the first stage of augmentation to a flat 2.5 million acre-feet (it is now stated in H.R. 3300 as a "range" of 2.5 to 8.5 million). By "augmentation" we mean the introduction of new supplies into the river for use below Lee Ferry, not salvage or exchange or other devices. We must insist on adequate priority protection for areas and states of origin in the event that any of that water is taken from California rivers.

3. *Financing.* To facilitate passage of the bill, we would reluctantly agree to delete authorization of Hualapai dam, deferring that issue to later consideration. But if Hualapai is eliminated, we must insist that the remaining sources of revenues for the "development fund", primarily Hoover, Davis and Parker Dam power revenues be earmarked to finance augmentation works, and not be made available to subsidize the Central Arizona project. This accords with the Boulder Canyon Project Act, which specifically prohibits use of any Hoover power revenues to assist the All-American Canal, and denies use of such revenues to aid Metropolitan's aqueduct. The cost of augmentation works attributable to the Mexican Treaty burden and associated losses (about 1.8 million acre-feet altogether) must be nonreimbursable, carrying out the agreement which Senator Kuchel obtained from the Budget Bureau on this point.

California should oppose any bill authorizing the Central Arizona project which does not safeguard these three principles.

So much for the Arizona-California settlement.

As to *Upper Basin matters*. We will stay with our agreement with the Upper Basin States to support the features of H.R. 3300 favorable to them, including: (1) five new Upper Basin projects, (2) a formula to balance storage in Lake Mead and Lake Powell, (3) repayment of deficits in the Upper Basin fund, (4) relief from the Treaty burden when sufficient water is imported to offset the whole Treaty burden, etc., if those States will stand by their agreement to support California on the three matters essential to our State. The Upper Basin has now asked, in addition, that relief from the Treaty burden be conditioned, not on importation of 2.5 million acre-feet annually as agreed in H.R. 3300, but on augmentation in the lesser quantity required to offset only the Treaty burden (about 1.8 million). We will agree to this, if the States asking this new improvement in the Upper Basin position stand by their agreement, stated in H.R. 3300, that protection of California's 4.4 million shall not cease until 2.5 million is imported.

STATE OF CALIFORNIA,
DEPARTMENT OF JUSTICE,
Los Angeles, February 21, 1968.

Re Colorado River legislation.

Mr. RAYMOND R. RUMMONDS,
Chairman, Colorado River Board of California, Los Angeles, Calif.

DEAR MR. RUMMONDS: This is in response to your letter of January 12, 1968, asking the views of this office on the shortage formulas that might lawfully be adopted by the Secretary of the Interior (hereinafter "Secretary") under the decree in *Arizona v. California*. More particularly, your inquiry relates to the range of legally permissible formulas available to the Secretary under article II(B) (3) of the decree. That article applies in a year in which there is less than 7.5 million acre-feet of consumptive use of main Colorado River water available for distribution among Arizona, California, and Nevada.

Any answer to your inquiry must, of course, be general; but some broad principles may be laid down. To do so, however, requires an understanding of the Special Master's recommended decree, the opinion in *Arizona v. California*, 373 U.S. 546 (1963), and the decree in *Arizona v. California*, 376 U.S. 340 (1964), amended, 383 U.S. 268 (1966).

SPECIAL MASTER'S RECOMMENDED DECREE

The relevant provisions of the Special Master's recommended decree are articles I(G) and (H) and II(B)(1), (2), (3), (5), and (6), the texts of which are set forth as appendix A hereto. These articles would have provided substantially as follows:

Article I(G) and (H) would have defined present perfected rights, in essence, as water rights valid under state law existing as of June 25, 1929, to the extent that such rights

had been exercised by the actual diversion and use of water by that date.¹ In addition, present perfected rights would have included water rights created by federal reservations (primarily Indian reservations) prior to that date, regardless of whether any water was put to beneficial use.

Article II(B) would have dealt with the allocation of main Colorado River water among Arizona, California, and Nevada as follows:

Article II(B) (1) would have provided that if the Secretary determined that main stream water was available to satisfy 7.5 million acre-feet of consumptive use, it would be allocated 2.8 million to Arizona, 4.4 million to California, and .3 million to Nevada.

Article II(B) (2) would have provided that if main stream water were available in excess of the 7.5 million, that excess should be divided 50% to Arizona (subject to a reduction of 4% in favor of Nevada) and 50% to California.

Article II(B) (3) would have provided:

"If insufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy annual consumptive use of 7,500,000 acre-feet in the aforesaid three states, then the available annual consumptive use shall be apportioned as follows:

(a) For use in Arizona.....	2.8
	7.5
(b) For use in California.....	4.4
	7.5
(c) For use in Nevada.....	.3
	7.5"

As is evident from this formulation, the Special Master, in establishing the pro rata share of each state, treated all water rights of each state on a par, including present perfected rights.² He did this notwithstanding the fact that in two subsequent provisions he provided for the priority of present perfected rights over all other rights to the use of main Colorado River water.

Article II(B) (5) as proposed by the Master would have provided, in essence, that present perfected rights in each state could not be reduced until all uses under nonperfected rights were first exhausted in all states. Article II(B) (6) would have provided that if there were insufficient water to supply all present perfected rights, then such water should be allocated in accordance with the priority of present perfected rights without regard to state lines (California being limited to 4.4 million acre-feet per annum).

OPINION IN ARIZONA V. CALIFORNIA

In its opinion in *Arizona v. California*, 373 U.S. 546 (1963), the Supreme Court unanimously rejected the proration formula set forth in article II(B) (3) of the Special Master's recommended decree. The three dissenting Justices would have required the Secretary to meet such shortages by application of the doctrine of equitable apportionment, including priority of appropria-

tion and protection of existing projects, as urged by California. (373 U.S. at 603-30.) The five-judge majority ruled only that no shortage formula had been stated by Congress or devised by the Secretary. Hence, they concluded that there was no action of the Secretary to be reviewed in this regard at that time. (373 U.S. at 592-94.) The complete text of the opinion on this issue is set forth as appendix B thereto.

With reference to a decree, the Court concluded (373 U.S. at 602):

"While we have in the main agreed with the Master, there are some places we have disagreed and some questions on which we have not ruled. Rather than adopt the Master's decree with amendments or append our own decree to this opinion, we will allow the parties, or any of them, if they wish, to submit before September 1963, the form of decree to carry this opinion into effect, failing which the Court will prepare and enter an appropriate decree at the next Term of Court."

DECREE IN ARIZONA V. CALIFORNIA

In compliance with this suggestion by the Court, the parties submitted to the Court an agreed form of decree as to most of its provisions. Each party also submitted its separate views upon the several provisions that were not agreed upon, and these were resolved by the Court.

The decree entered by the Court in 1964 (376 U.S. 340) adopts in article I (G) and (H) the Special Master's definition of "present perfected rights." It also adopts in article II(B) (1) and (2) those identical provisions of the Special Master's decree that allocate the 7.5 million acre-feet of main stream water and any excess over that 7.5 million. However, the provisions of article II(B) (3) of the Court's decree, which replace article II(B) (3), (5), and (6) of the Special Master's recommended decree, differ markedly from the Special Master's recommendation. The full text of article II(B) (1), (2), and (3) of the Court's decree are set forth as appendix C hereto.

Article II(B) (3), which was submitted to the Court by agreement of all parties, provides in substance as follows: If there is not sufficient main stream water available to satisfy 7.5 million acre-feet of consumptive use among Arizona, California, and Nevada, then the Secretary, "after providing for satisfaction of present perfected rights in the order of their priority dates" and after consultation with the parties to major delivery contracts and the states' representatives, "may apportion the amount remaining available for consumptive use" in such manner as is consistent with the Boulder Canyon Project Act as interpreted by the opinion "and with other applicable federal statutes"; however, California's share shall not exceed 4.4 million acre-feet, including all present perfected rights.

ANALYSIS OF ARTICLE II(B) (3) OF DECREE

Article II(B) (3) requires the Secretary, in the event of shortage of main stream water to supply 7.5 million acre-feet of consumptive use among the three states, to do two things in this precise order:

First, the Secretary must satisfy "present perfected rights" in the order of their priority dates, without regard to state lines. In general, it may be said that the Secretary is thereby providing water first for those uses that had been made prior to authorization or construction of Hoover Dam, hence without the storage and regulation provided by that dam.³

³ As we have noted earlier, water reserved for federal establishments, e.g., Indian reservations, prior to the effective date of the Project Act, June 25, 1929, is given the status of a present perfected right irrespective of the quantity put to use before that date. It is clear from the legislative history of the

Second, the Secretary may then apportion "the amount remaining" after satisfaction of present perfected rights in a manner consistent with the Project Act, the opinion, and any other applicable federal statutes. In general, it may be said that the Secretary is thereby permitted to allocate the incremental supply above that which was usable from the unregulated flow, i.e., the remaining waters are those made available by the construction of Hoover Dam, which provides storage and regulation of flood flows that previously were unusable and wasted to the ocean.

The real issue is therefore a very limited one: How may the Secretary apportion among Arizona, California, and Nevada "the amount remaining" after satisfaction of present perfected rights? This is another way of asking how the Secretary may apportion among these States the benefit of the conservation accomplished by Hoover Dam, since, by hypothesis, the unregulated flow put to use before construction of Hoover Dam is all accounted for by "present perfected rights," which the decree withholds from the Secretary's power of allocation.

Suppose, for example, that present perfected rights are 3.4 million acre-feet in California and .8 million acre-feet in Arizona.⁴ (For the purpose of this example, Nevada's present perfected rights, which are claimed in a quantity less than 7,000 acre-feet, are taken as *de minimis*.) Out of the 7.5 million, a total of 4.2 is claimed as present perfected rights and 3.3 million thus represents "the amount remaining."

Similarly, out of California's 4.4 million, 3.4 million is claimed as present perfected rights, and only 1.0 million is dependent upon "the amount remaining." Out of Arizona's 2.8 million, only .8 million is claimed as present perfected rights, and 2.0 million is dependent on "the amount remaining." Substantially all of Nevada's .3 million is dependent on "the amount remaining."

In allocating "the amount remaining" among the three states in the event that there is not 7.5 million acre-feet of consumptive use available from the main stream (and hence less than 3.3 million acre-feet of "the amount remaining"), the Secretary may take one or a combination of two basic approaches: (1) a formula based on respect for the relative ranking of the competing claims, or (2) a formula based on quantitative proration, irrespective of other considerations.

In more detail, as to these two allocation concepts:

1. First of all, the Court's opinion tells us that the Secretary may "lay stress upon priority of use" (373 U.S. at 594). The "judicial doctrine of equitable apportionment" and "the law of prior appropriation" can provide "some guidance" (*ibid.*). For these are "recognized methods of apportionment" (373 U.S. at 593). Under this approach, the Secretary might, for example, provide that "the amount remaining" be allocated in order of priority dates without regard to state lines, by analogy to the allocation of "present perfected rights" in that manner. Or, conceivably, he might rank the competing claims by priorities related to classification of uses

Project Act that the unregulated flow had been fully appropriated, quite aside from the additional (unused) Indian rights which the decree characterizes as present perfected rights.

⁴ These are the quantities of present perfected rights claimed by California and Arizona respectively. Article VI of the decree provides that if the States are unable to agree, the court will determine the quantities and priority dates of present perfected rights. No agreement has been reached, as of this date, although negotiations are continuing.

¹ See Sp. Mas. Rep. 308: "Hence I conclude that a water right is a 'present perfected right' and is within the protection of Section 6 [of the Boulder Canyon Project Act] only if it was, as of the effective date of the [Boulder Canyon] Project Act (June 25, 1929), acquired in compliance with the formalities of state law and only to the extent that it represented, at that time, an actual diversion and beneficial use of a specific quantity of water applied to a defined area of land or to a particular domestic or industrial use."

² I.e., the Master treated present perfected rights as a minimum, but gave them the same value in his proration equation as all other rights. (Sp. Mas. Rep. 306, 311-12). As pointed out later, this concept did not survive in the Supreme Court.

rather than dates of initiation of rights (as he has done in contracts recently executed under the Southern Nevada Project Act), which, with respect to intrastate allocations within Nevada, give preference to municipal and industrial uses against agricultural uses, if less than 300,000 acre-feet is available for consumptive use in Nevada.⁵ Or, it is conceivable that other criteria, related primarily to equities or qualitative considerations (as distinguished from quantitative proration) may be articulated.⁶

2. Secondly, the Secretary may also "adopt a method of proration" (373 U.S. at 594; emphasis added). "[T]he Secretary may or may not conclude that a pro rata division is the best solution" (373 U.S. at 593). But if he does, he may "choose among the recognized methods of apportionment" or "devise reasonable methods of his own" (*ibid.*; emphasis added). It is further suggested that one appeal of pro rata sharing of shortages is that it "seems equitable on its face" (*ibid.*).

We are concerned here with the range of choice open to the Secretary if he resorts to quantitative proration, wholly ignoring interstate priorities or character of use. The inquiry is sharpened by the fact that, as we shall see in a moment, this is exactly what the Special Master proposed and the Supreme Court rejected.

If the Secretary resorts to proration of "the amount remaining" above the requirements of present perfected rights, what common denominator, and what three numerators, can he lawfully use in defining the fraction allocated to each of the three States?

Manifestly, the sum of the numerators must equal the common denominator. The Special Master's shortage formula used a common denominator of 7.5, as representing the whole universe (7.5 million acre-feet), at the first onset of shortage, and numerators of 2.8 for Arizona (representing 2,800,000), 4.4 for California (representing 4,400,000), and 3 for Nevada (representing 300,000)—the States' respective shares if 7.5 million were available. In the event of shortage, California, for example, was to receive 4.4/7.5 of the supply, hence bear 4.4/7.5 of the shortage, although most of California's share constitutes present perfected rights.

But the whole universe which the Supreme Court's decree permits the Secretary to divide is not 7.5 million, but a much smaller figure, identified as the "amount remaining available" above present perfected rights. We have shown that if the present claims of

present perfected rights of the States were sustained, the maximum "amount remaining available" could not exceed 3.3 million. That is to say, of the 7.5 million acre-feet of consumptive use apportioned by article II(B) (1) of the decree, the uses of 3.3 million are dependent for their satisfaction upon the magnitude of "amount remaining" above present perfected rights. If the "amount remaining" were large enough to satisfy all of this 3.3 million acre-feet of demand, Arizona's share of that 3.3 million (as we have seen, *supra*) would be 2.0/3.3 (since 2 million of Arizona's total apportionment is dependent on the "amount remaining," only .8 million being present perfected rights); California's share would be 1.0/3.3 (since 1 million of California's total apportionment of 4.4 million is dependent on the "amount remaining," 3.4 million being present perfected rights); and Nevada's share would be .3/3.3 (since substantially all of Nevada's total apportionment of .3 million is dependent on the "amount remaining"). The common denominator applicable under the decree, comparable to the Special Master's common denominator, would thus be 3.3, not the Master's 7.5, and the comparable ratios would be: California, 1.0/3.3, not 4.4/7.5; Arizona, 2.0/3.3, not 2.8/7.5, and Nevada, .3/3.3, not .3/7.5. These ratios, in each case, would be applied to whatever quantity may be the "amount remaining available" above the requirements of present perfected rights (which are assumed to aggregate 4.2 million acre-feet). Each State's total entitlement would be the quantity so determined added to, and not inclusive of, present perfected rights (contra the Special Master's formula).

It would seem to require little argument, therefore, to demonstrate that whatever proration formula the Secretary might use (assuming that he resorted to proration), the employment of the Special Master's shortage formula would be precluded by the Supreme Court's decree. The numerators, the denominator, and the universe to which the resulting ratios are applicable, are all required by the Supreme Court to be wholly different from those which the Special Master supposed.

This comparison may also be viewed in terms of percentages: Although California's share of the "amount remaining available" is only about 30% (1.0/3.3), the Special Master's formula would have required California to bear approximately 57% (4.4/7.5) of the shortage. On the other hand, although Arizona's share of the "amount remaining available" is about 60% (2.0/3.3), the Special Master's formula would have required her to bear only about 37% (2.8/7.5) of the shortage.

The contrast between the Master's proposal and the Court's decree is conclusively illustrated by the following example: Assume a water supply of 5.5 million acre-feet. Under the initial application of the Special Master's formula, California would be given 4.4/7.5 or about 3.2 million acre-feet; however, since California's share could not be less than her present perfected rights, California would receive 3.4 million acre-feet.⁷ By contrast, if the approach under article II(B) (3) of the decree is applied to these same assumptions, California must first be awarded her present perfected rights of 3.4 million acre-feet. It follows that the Master's conclusion that California should receive no more than 3.4 million acre-feet out of a total supply of 5.5 million could not be reached under the decree unless the Court were prepared to sustain a Secretarial ap-

portionment that would include, in effect, a provision that when the supply is 5.5 million acre-feet, the 1.3 million acre-feet "amount remaining available"⁸ shall be apportioned as follows: to California, zero; to Arizona and Nevada, all. We think that the Court would reject this attempt to deny to California any of the benefits of Hoover Dam's conservation of water and to limit California to the quantity of the unregulated flow that she had put to use before that dam was authorized or built.

SUMMARY AND CONCLUSION

1. The quantity of water which is within the power of the Secretary of allocate, in the event of shortages, is not the whole supply, but the much smaller quantity representing the "amount remaining available" after satisfaction of present perfected rights. Present perfected rights constitute decreed quantities, which the Secretary may not reduce, but which must be satisfied in order of priority without regard to state lines. Claims of present perfected rights aggregate about 4.2 million acre-feet, hence leaving, within the 7.5 million, only 3.3 million acre-feet of water "remaining available." If the supply should shrink, for example, to 5.5 million, the quantity which would be within the Secretary's power of allocation would be not the 5.5 million, but only 1.3 million (5.5 million less 4.2 million).

2. The Supreme Court's decree does not require proration of this "amount remaining available." The Secretary may, instead, respect priority of appropriation interstate, or protect existing uses, or perhaps invoke other qualitative and equitable criteria as yet untested in the courts. Or Congress, as the Court's opinion says, may take the matter out of his hands and establish its own shortage formula in an "applicable federal statute."

3. If the Secretary does attempt to invoke quantitative proration, to the exclusion of all equitable considerations, it is clear that the Supreme Court's decree prohibits his use of the Special Master's proration formula, and requires a formula more advantageous to California, for two reasons: (1) the decree restricts proration (if proration is applicable to all) to the limited "amount remaining available" after satisfying present perfected rights, not the whole supply (contra the Special Master),⁹ and (2) the quantity to be prorated to each State (if proration is invoked at all) shall be in addition to, not inclusive of, that State's present perfected rights (again contra the Special Master).

Finally, it should be emphasized, as noted above, that the Secretary's action is subject to review by the Supreme Court under article IX of the decree, which reserves jurisdiction for any party to apply to the court for relief thereunder.¹⁰ As the opinion points out (373 U.S. 594):

"It will be time enough for the courts to intervene when and if the Secretary, in mak-

⁸ The 5.5 total water supply less the 4.2 total present perfected rights (3.4 in California and .8 in Arizona) equals the 1.3 "amount remaining available."

⁹ For example, the effect of the Special Master's formula would have been to impose on California 4.4/7.5, on Arizona the lesser ratio of 2.8/7.5, of any shortage in the 7.5 million apportioned. By contrast, California's share of the "amount remaining" in excess of present perfected rights is 1.0/3.3, which is only one-half of Arizona's share of 2.0/3.3.

¹⁰ Article IX (376 U.S. at 353) provides: "Any of the parties may apply at the foot of this decree for its amendment or for further relief. The Court retains jurisdiction of this suit for the purpose of any order, direction, or modification of the decree, or any supplementary decree, that may at any time be deemed proper in relation to the subject matter in controversy."

⁵ See contract between the United States and the Nevada Colorado River Commission, dated August 25, 1967, article 8.

⁶ In *Nebraska v. Wyoming*, 325 U.S. 589, 618 (1945), the Court said:

"Priority of appropriation is the guiding principle. But physical and climatic conditions, the consumptive use of water in the several sections of the river, the character and rate of return flows, the extent of established uses, the availability of storage water, the practical effect of wasteful uses on downstream areas, the damage to upstream areas as compared to the benefits to the downstream areas if a limitation is imposed on the former—these are all relevant factors. They are merely an illustrative, not an exhaustive catalogue. They indicate the nature of the problem of apportionment and the delicate adjustment of interests which must be made."

The Special Master, in *Arizona v. California*, quoting the foregoing, added (Rept., p. 326):

"It is worthy of note that the Court, in an equitable apportionment suit, has never reduced junior upstream existing uses by rigid application of priority of appropriation. Indeed, the tendency has been to protect existing uses wherever possible. See *Washington v. Oregon*, 297 U.S. 517 (1936); *Kansas v. Colorado*, 206 U.S. 46 (1907)."

⁷ Although our example uses the parties' present perfected rights claims as set forth *supra* in this letter, the application of the Special Master's formula is identical (only using different figures) to that presented by way of example in his report (Rept. 306, 311-12).

ing apportionments or contracts, deviates from the standards Congress has set for him to follow, including his obligation to respect 'present perfected rights' as of the date the Act was passed."

We trust that the foregoing analysis will be useful to you. If you have any further questions on any of the matters covered in this letter, please call upon us for further advice.

Very truly yours,
THOMAS C. LYNCH,
Attorney General.

APPENDIX A

EXTRACT FROM SPECIAL MASTER'S RECOMMENDED DECREE (SP. MAS. REP. PP. 345-49)

I. For purposes of this decree:

(G) "Perfect right" means a water right acquired in accordance with state law, which right has been exercised by the actual diversion of a specific quantity of water that has been applied to a defined area of land or to definite municipal or industrial works, and in addition shall include water rights created by the reservation of mainstream water for the use of federal establishments under federal law whether or not the water has been applied to beneficial use;

(H) "Present perfected rights" means perfected rights, as here defined, existing as of June 25, 1929, the effective date of the Boulder Canyon Project Act;

II. The United States, its officers, attorneys, agents and employees, be, and they are hereby severally enjoined:

(B) From releasing water controlled by the United States for irrigation and domestic use in the States of Arizona, California and Nevada, except as follows:

(1) If sufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy 7,500,000 acre-feet of annual consumptive use in the aforesaid three states, then of such 7,500,000 acre-feet of consumptive use, there shall be apportioned 2,800,000 acre-feet for use in Arizona, 4,400,000 acre-feet for use in California, and 300,000 acre-feet for use in Nevada;

(2) If sufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy annual consumptive use in the aforesaid states in excess of 7,500,000 acre-feet, such excess consumptive use is surplus, and 50% thereof shall be appropriated for use in Arizona and 50% for use in California; provided, however, that if the United States so contracts with Nevada, then 46% of such surplus shall be apportioned for use in Arizona and 4% for use in Nevada;

(3) If insufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy annual consumptive use of 7,500,000 acre-feet in the aforesaid three states, then the available annual consumptive use shall be apportioned as follows:

(a) For use in Arizona	2.8
(b) For use in California	7.5
(c) For use in Nevada	4.4
	7.5
	3
	7.5

(5) If the water apportioned for consumptive use in any of said states in any year is insufficient to satisfy present perfected rights in that state, the deficiency shall first be supplied out of water apportioned for use in the other two states but not consumed in those states, and any remaining deficiency shall be supplied by each of the remaining states, out of water apportioned for consumptive use in such states which is in ex-

cess of the quantity necessary to satisfy present perfected rights in such states, in proportion to the ratios heretofore established between them, to wit: if water must be supplied to satisfy present perfected rights in two of the three states, then the third state shall, out of such excess, supply all the necessary water, and if water must be supplied to satisfy present perfected rights in one state, then each of the other two states shall out of such excess supply that proportion of the necessary water that its apportionment of the first 7,500,000 acre-feet of consumptive use bears to the aggregate apportionment of the two states; provided, however, that present perfected rights in California shall not exceed 4,400,000 acre-feet of consumptive use per annum;

(6) If the mainstream water apportioned for consumptive use in any year is insufficient to satisfy present perfected rights in each and all of the three states, then such water shall be allocated for consumptive use in accordance with the priority of present perfected rights without regard to state lines; provided, however, that present perfected rights in California shall not exceed 4,400,000 acre-feet of consumptive use per annum;

Thus if water is to be supplied to California from the other states' apportionment, Arizona shall contribute 2.8 and Nevada .3 of the total amount supplied.

APPENDIX B

EXTRACT FROM OPINION IN ARIZONA V. CALIFORNIA, 373 U.S. 546, 592-94 (1963)

III. APPORTIONMENT AND CONTRACTS IN TIME OF SHORTAGE

We have agreed with the Master that the Secretary's contracts with Arizona for 2,800,000 acre-feet of water and with Nevada for 300,000, together with the limitation of California to 4,400,000 acre-feet, effect a valid apportionment of the first 7,500,000 acre-feet of mainstream water in the Lower Basin. There remains the question of what shall be done in time of shortage. The Master, while declining to make any findings as to what future supply might be expected, nevertheless decided that the Project Act and the Secretary's contracts require the Secretary in case of shortage to divide the burden among the three States in this proportion: California 4.4/7.5; Arizona 2.8/7.5; Nevada .3/7.5. While pro rata sharing of water shortages seems equitable on its face, more considered judgment may demonstrate quite the contrary. Certainly we should not bind the Secretary to this formula. We have held that the Secretary is vested with considerable control over the apportionment of Colorado River waters. And neither the Project Act nor the water contracts require the use of any particular formula for apportioning shortages. While the Secretary must follow the standards set out in the Act, he nevertheless is free to choose among the recognized methods of apportionment or to devise reasonable methods of his own. This choice, as we see it, is primarily his, not the Master's or even ours. And the Secretary may or may not conclude that a pro rata division is the best solution.

It must be remembered that the Secretary's decision may have an effect not only on irrigation uses but also on other important functions for which Congress brought this great project into being—flood control, improvement of navigation, regulation of flow, and generation and distribution of electric

Proration of shortage is the method agreed upon by the United States and Mexico to adjust Mexico's share of Colorado River water should there be insufficient water to supply each country's apportionment.

power. Requiring the Secretary to prorate shortages would strip him of the very power of choice which we think Congress, for reasons satisfactory to it, vested in him and which we should not impair or take away from him. For the same reasons we cannot accept California's contention that in case of shortage each State's share of water should be determined by the judicial doctrine of equitable apportionment or by the law of prior appropriation. These principles, while they may provide some guidance, are not binding upon the Secretary where, as here, Congress, with full power to do so, has provided that the waters of a navigable stream shall be harnessed, conserved, stored, and distributed through a government agency under a statutory scheme.

None of this is to say that in case of shortage, the Secretary cannot adopt a method of proration or that he may not lay stress upon priority of use, local laws and customs, or any other factors that might be helpful in reaching an informed judgment in harmony with the Act, the best interests of the Basin States, and the welfare of the Nation. It will be time enough for the courts to intervene when and if the Secretary, in making apportionments or contracts, deviates from the standards Congress has set for him to follow, including his obligation to respect "present perfected rights" as of the date the Act was passed. At this time the Secretary has made no decision at all based on an actual or anticipated shortage of water, and so there is no action of his in this respect for us to review. Finally, as the Master pointed out, Congress still has broad powers over this navigable international stream. Congress can undoubtedly reduce or enlarge the Secretary's power if it wishes. Unless and until it does, we leave in the hands of the Secretary, where Congress placed it, full power to control, manage, and operate the Government's Colorado River works and to make contracts for the sale and delivery of water on such terms as are not prohibited by the Project Act.

APPENDIX C

ARTICLE II(B) (1), (2), AND (3) OF DECREE IN ARIZONA v. CALIFORNIA, 376 U.S. 340, 341, 342-43 (1964)

II. The United States, its officers, attorneys, agents and employees be and they are hereby severally enjoined:

(B) From releasing water controlled by the United States for irrigation and domestic use in the States of Arizona, California and Nevada, except as follows:

(1) If sufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy 7,500,000 acre feet of annual consumptive use in the aforesaid three states, then of such 7,500,000 acre feet of consumptive use, there shall be apportioned 2,800,000 acre feet for use in Arizona, 4,400,000 acre feet for use in California, and 300,000 acre feet for use in Nevada.

(2) If sufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy annual consumptive use in the aforesaid states in excess of 7,500,000 acre feet, such excess consumptive use is surplus and 50% thereof shall be apportioned for use in Arizona and 50% for use in California; provided, however, that if the United States so contracts with Nevada, then 46% of such surplus shall be apportioned for use in Arizona and 4% for use in Nevada;

(3) If insufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy annual consumptive use of 7,500,000 acre feet in the aforesaid three states, then the Secretary of the Interior, after providing for satisfaction of present perfected rights in the order of their priority dates without regard to state lines and after consultation with the

parties to major delivery contracts and such representatives as the respective states may designate, may apportion the amount remaining available for consumptive use in such manner as is consistent with the Boulder Canyon Project Act as interpreted by the opinion of this Court herein, and with other applicable federal statutes, but in no event shall more than 4,400,000 acre feet be apportioned for use in California including all present perfected rights;

Mr. BROTZMAN. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman.

Mr. BROTZMAN. Mr. Chairman, I rise in support of H.R. 3300, the Colorado River Basin project bill.

For more than 20 years the development of the Colorado River Basin and the central Arizona project has been the center of controversy both here in the Congress and in the seven-State area directly affected by this legislation. This bill H.R. 3300 is the product of long and difficult negotiations between the States of Arizona, California, Colorado, New Mexico, Utah, and Nevada, and represents a compromise of the various interests involved. An important feature of the bill which directs the Federal Government to assume the responsibility for replacing the 1.5 million acre-feet of Colorado River water which must be supplied annually to the Republic of Mexico under the provisions of the 1944 Mexican Water Treaty.

The Mexican Treaty was negotiated in time of war, by the Government of the United States, in an effort to foster international goodwill and to settle another dispute between the two countries over the use of Rio Grande River water.

The simple fact is that there has not been enough water in the Colorado River to meet the obligations of the Mexican Treaty after the States of the Colorado River Basin divide the water of the river among themselves. The Colorado River States had already agreed on how to divide the water before the Mexican Treaty was ratified. The agreement requires the upper basin States, of which Colorado is one, to deliver 75 million acre-feet of water at Lee Ferry every 10 years. This obligation, plus the obligation imposed by the Mexican Treaty, would not leave enough water in the upper basin to meet the needs of that area.

With the assumption of the Mexican Treaty obligation as a national obligation, the water supply of the Colorado River can be augmented to meet that need. This bill directs the Secretary of the Interior to investigate means of augmenting the water in the Colorado River under principles to be established by the Water Resources Council. The acceptance of national responsibility for the Mexican Treaty obligation will not, however, create an immediate need for large quantities of water to augment the Colorado. It is estimated that under normal conditions, there will be ample water in the river until around 1987 when gradual reductions may commence. The central Arizona project and future water use developments in the Upper Colorado Basin will put the ultimate overdraft on

the river until about 1990. By 1990 an augmentation of 102,000 acre-feet—or less than 1 percent of the total requirement—may be needed.

One of the major obstacles to passage of the bill 2 years ago was the authorization of the construction of the Marble and Bridge Canyon Dams on the Colorado River. That authorization was opposed by several conservationist groups. Both of these projects have been eliminated. This bill not only forbids the construction of Bureau of Reclamation dams in this area, but also prohibits the licensing of private dams by the Federal Power Commission.

The bill does provide for the construction of the Hooker Dam on the Gila River in New Mexico. However, the committee, in reporting this bill, did not specify the Hooker site absolutely, but left open the consideration of "a suitable alternative."

Mr. Chairman, the State of Colorado has strongly endorsed this measure. Gov. John Love, of Colorado, told the Interior and Insular Affairs Committee:

Hundreds of hours of most difficult negotiations have been incorporated into H.R. 3300. It is not a bill which provides an immediate solution to all of the water problems of the Colorado River states. It does, however, approach the problems on a broad, regional basis. . . . We support each of its provisions.

The soundness of this legislation is demonstrated by the unity among the diverse parts of Colorado in working for passage of this measure. We, in Colorado, have recognized the greater benefit which this legislation will bring to the entire State by setting the controversial water problems of the Southwest.

H.R. 3300 authorizes the construction of the Five Fingers projects in Colorado. We like to refer to these five projects as a "helping hand" in the solution of Colorado's water supply problem. The projects are the West Divide, Dallas Creek, San Miguel, Dolores, and Animas-La Plata. In total, the Five Fingers projects will provide about 719,000 acre-feet of water annually for irrigation, municipal, and industrial use in Colorado.

Most of the flow of the Colorado River originates in the State of Colorado. The river accounts for about 70 percent of the total surface water produced in the State. Under the Colorado River Basin Compact of 1948, the State of Colorado was allocated 51¼ percent of the water available to the upper basin States.

The Five Fingers projects will mean an annual depletion of the Colorado River flow of about 398,000 acre-feet. This depletion represents less than 4 percent of the Colorado River water that is actually produced within the State each year. It represents only a portion of the State's allotted 51¼ percent of the water available to the upper basin States.

All of the Five Fingers projects will contribute greatly to Colorado's municipal, industrial, and agricultural water supplies. One of them, the West Divide project, is designed to provide water for the State's emerging oil shale industry. Two of the projects—the Animas-La Plata and the Dolores—would directly benefit both the Ute Mountain Ute and the Southern Ute Indian Tribes, and

would greatly enhance the economic opportunities of both groups.

Except for the usual nonreimbursable items such as fish and wildlife, flood control, recreation, and water salvage, the construction costs of these reclamation projects will be repaid to the United States.

Mr. Chairman, H.R. 3300 is a compromise measure which provides a solution to the water problems of the Colorado River Basin and the Pacific Southwest—a center of controversy for more than 20 years. This bill affords us an opportunity to end that controversy and to benefit not only the citizens of the Colorado River Basin but of all the United States.

Those of us who represent districts in the Southwestern United States, from both sides of the aisle, have, for the last few weeks been talking with our colleagues from the other areas of the Nation to educate them and make known to them just what this bill means not only to the states of the Colorado River Basin, but to the entire country.

For my part, I have contacted many of my Republican colleagues, as well as Democrats, and have attempted to explain to them what this compromise means and how this bill, if enacted, can settle a controversy which has raged for more than 20 years over the use of the waters of the Colorado River. Unlike so many other measures considered in this body, this bill is the product of a truly bipartisan effort.

I want to take this opportunity, Mr. Chairman, to congratulate the Interior and Insular Affairs Committee and particularly, the committee chairman, my colleague from Colorado [Mr. ASPINALL], for the fine work they have done in putting together this legislation. I urge its enactment.

Mr. ASPINALL. Mr. Chairman, I yield 10 minutes to the gentleman from Arizona [Mr. UDALL].

(Mr. UDALL asked and was given permission to revise and extend his remarks.)

Mr. SAYLOR. Mr. Chairman, will the gentleman yield, and I will yield the gentleman a minute?

Mr. UDALL. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Mr. Chairman, I would like to read into the RECORD a section of the original Colorado River compact. If people think what happened in 1944 was done under wartime stress or a mistake of fact as to the amount of water in the river, and that people did not expect the States of the basin would have to provide water to Old Mexico then they have not read the Colorado River compact because article III, section (c) says:

(c) If, as a matter of international comity, the United States of America shall hereafter recognize in the United States of Mexico any right to the use of any waters of the Colorado River System, such waters shall be supplied first from the waters which are surplus over and above the aggregate of the quantities as specified in paragraphs (a) and (b); and if such surplus shall prove insufficient for this purpose, then, the burden of such deficiency shall be equally borne by the Upper Basin and the Lower Basin, and whenever necessary the States of the Upper Division shall deliver at Lee Ferry water to supply one-half

of the deficiency so recognized in addition to that provided in paragraph (d).

Mr. UDALL. Mr. Chairman, the gentleman from Pennsylvania has read the compact correctly, but, of course, in 1944, when the treaty was ratified, the United States of America gave away water we thought we had, and thought was surplus. The gentleman from Pennsylvania pointed out in his remarks that Senators from six of the seven States voted for the treaty. I want to tell the gentleman why they voted for it.

They voted for it because it was believed by the States and by the Senate—and page 44 of the report says this—that we thought we had a surplus that we would give away to Mexico, and that the States would not have to reduce the allocations they had under the 1922 compact, from which you read. In the Senate report on the treaty of 1944 there was one sentence I will read as follows:

Presumably then, the Mexican allocation of 1,500,000 acre-feet per year will be supplied from the amount of approximately 2,000,000 acre-feet which is estimated to be the surplus after the Compact allocations, totalling 16,000,000 acre-feet, have been supplied.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I believe the gentleman from Arizona also would agree with my recollection of the minutes of the Santa Fe Compact. Is it not the gentleman's recollection that the Commissioners who finally agreed on the Santa Fe Compact thought that at no time there would ever be more than 500,000 acre-feet of water allotted to the Republic of Mexico? Are not those figures in the minutes relating to the compact?

Mr. UDALL. Precisely. When the treaty gave them 1½ million acre-feet, they were using only about one-half of that.

Mr. Chairman, to the surprise of no one in the Chamber, I suppose, I want to say that I support this bill. I support it as the committee reported it. It is a sound bill. It is a sound compromise, as was said earlier today, of one of the problems which has plagued the most water short area of our country, the seven-State area of the Colorado River Basin.

Mr. Chairman, for nearly half a century Arizona has hoped and planned for full use of its allotted share of water from the Colorado River. The Santa Fe Compact of 1922 laid the groundwork for allocations from the river's flow among the seven States of the basin. The Boulder Canyon Project Act of 1928 allocated to Arizona the use of 2.8 million acre-feet annually from the main stem of the river.

In 1944 the Arizona Legislature appropriated \$200,000 for a \$400,000 cooperative investigation by the Bureau of Reclamation which culminated in 1947 in a full feasibility report on a central Arizona project to the Congress. Our struggle for an authorization really began in the 80th Congress with S. 75. But today, for the first time after 21 years of patient but frustrating effort, a bill to authorize the central Arizona project has finally reached the floor of this House.

For Arizona this is an historic and heart-warming moment. H.R. 3300 is a distillate of our hopes, our struggles, our faith in the future.

As some of my colleagues may tell you, the bill is not perfect in every detail. But, gentlemen, that which we have been unable to make absolutely perfect during 21 years of give and take, of negotiation and compromise, of study and planning is probably beyond the ability of mortal men to achieve. Two generations of great men have lived and died in the attempt to solve the problems of the Colorado River. More must and will devote their minds to those problems in the future.

But H.R. 3300 is here and now, and it is a milestone of progress. It gives Arizona the water which it must have for elementary survival as a productive unit of our Nation; and more, it establishes the framework for future regional resolution of water resource development problems directly affecting the lives of millions of people in the seven States of the river basin and millions more in the years ahead.

Thus, in pleading the cause of this bill as it affects by own State of Arizona, I am also championing the rights and aspirations of the family of Southwestern States, of which Arizona is a member.

The history of the Colorado River from the beginning of this century is the most fascinating chapter of the development of the American West. A formidable barrier to migrating pioneers, a gigantic challenge to man's courage and inventive genius, a promise of good things to come, a threat of destruction by flood and a fulfilment of men's dream—all these and more compose the human saga of our people and their river, the Colorado.

Below Lee Ferry in northern Arizona—the dividing point between the upper and lower basins of the river—diversions of water for irrigation were begun in the Yuma area of Arizona and the Palo Verde Valley of California before the beginning of this century. The great Imperial Valley irrigation development was begun in about 1902. All of these areas were menaced from the beginning by the uncontrolled flow of the river. Floods destroyed the fragile works of the pioneering developers.

Out of the dark and forbidding canyon of the Colorado came vast floods of water from the melting snows of the great Rocky Mountains. The paper allocations of the Santa Fe compact of 1922 meant nothing. Water could not be stored and held back for orderly release.

Not until the Congress authorized and commenced construction of Hoover Dam was the river tamed and future water resource development in Arizona, southern California, and Mexico secure from repeated disaster.

Development of lower basin resources began in earnest with the completion of Hoover Dam. The storage capacity of 32,000,000 acre-feet in Lake Mead was a guarantee against the danger of both droughts and floods. Power from the dam's hydroelectric generators was available for industrial and population expansion. The Boulder Canyon Act also appeared to have settled at last the aggravating controversy over the allocation of

river water among Arizona, California, and Nevada in the lower basin. By act of Congress, Arizona's annual allotment was 2.8 million acre-feet, California's 4.4, and Nevada's 300,000.

In 1932, California contracted with the Secretary of the Interior for delivery of its 4.4-acre-foot allotment and for 962,000 acre-feet of any available surplus. In 1937, consulting engineers for the Department of the Interior produced a report, "Surplus Waters of the Colorado River," in which the conclusion was drawn that water was available for use in Mexico. Parker Dam was completed in 1938 as a diversion point for the Los Angeles aqueduct, and in Arizona, a Colorado River Commission was established.

A preliminary report was prepared on the Bridge Canyon project—forerunner of the central Arizona project—in 1942, and in 1944 Arizona contracted with the Secretary of the Interior for delivery of its 2.8 million acre-feet of water.

The Senate Subcommittee on Public Lands actually held hearings on a Bridge Canyon—central Arizona—project bill, S. 75, in 1947. Arizona's Gila project was reauthorized that year to apply mainstream Colorado River water to the lands of the Welton-Mohawk Valley and other areas in Yuma County, and that was, to this day, the last reclamation project authorized by the Congress for Arizona.

In December of 1947 a formal central Arizona project feasibility report was submitted to the Secretary of the Interior by the Bureau of Reclamation, and in the following September the Secretary's favorable report and findings were transmitted to the Congress and published in House Document No. 156.

In the 80th Congress, the 81st, and the 82d, hearings were held on central Arizona project bills. Arizona's hopes rose and fell with each succeeding attempt and failure for an authorization.

World War II began and ended, and the Korean conflict arose, both demanding food and fiber production in immense quantities; and Arizona responded by tapping its limited groundwater resources in ever increasing quantities to help meet the needs of the Nation.

Yes, we knew in Arizona that groundwater was precious and irreplaceable. But with traditional American faith and optimism we continued, in the national interest, to use what was available in the firm belief that when the crisis of war was over, the Congress would make it possible to bring our share of Colorado River water to the richly productive developed lands of the State's central valleys so that we could balance our internally available water account. We would develop no new lands for irrigation with central Arizona project water. We would use Colorado River water simply to maintain what had been developed but reduce our overdraft upon groundwater.

That was, and still is, our purpose. We have pinned our hope upon it. We have had faith that it would be done. We still have that faith, but time is running out for us, it is running out for our economy and for our people.

Certainly one of Arizona's greatest frustrations came in 1951 in the 82d Congress when, with a central Arizona project bill already passed by the Senate, the House

Committee on Interior and Insular Affairs adopted a resolution offered by my good colleague from Pennsylvania, the Honorable JOHN SAYLOR, to defer further action on central Arizona project legislation until the question of legal entitlement to water had been resolved between Arizona and California.

To carry out the dictates of the committee, Arizona filed suit against California in 1952 in the U.S. Supreme Court. We were assured by our adversary and others that no more than a few months would be required for the litigation. And thus, the beginning of the "big lawsuit"—which was filed in 1952 and ended over 10 years later in June of 1963—substantially upholding Arizona's claim to 2.8 million acre-feet of water from the main-stream of the river. We call it the "big lawsuit" because the trial itself lasted from June 14, 1956, to August 28, 1958, during which period 340 witnesses were heard on almost every conceivable subject, thousands of exhibits were received, and 25,000 pages of testimony were transcribed. Evidence was even introduced on behalf of those interested in wildlife on the subject of how much water is required to keep a wild goose in the manner to which he is accustomed. On this important subject the transcript contains an outstanding piece of verse by one of the learned counsel who participated in the trial. He offered in evidence this lyrical documentation of this difficult problem—it is called "Owed to a Waterfowl":

It seems just trifle absurd
That, in water consumption, a bird
Tho lesser in weight
And more waddling in gait,
Equals almost two men and a third.

Immediately following the court's decision, Arizona's Senators HAYDEN and Goldwater introduced S. 1658, on June 4, 1963, and her Representatives in the House introduced H.R. 6796, H.R. 6897 and H.R. 6798—all to authorize the central Arizona project essentially the same as was recommended by the Secretary to the 80th Congress 20 years earlier.

In that same year, 1963, my wise colleague from Colorado, the chairman of the House Interior and Insular Affairs Committee, urged upon Arizona a unified and regional approach to the Colorado Basin problem, including the central Arizona project, and responding to this advice, the Department of the Interior rushed to completion a report on its Pacific Southwest water plan. This plan and S. 1658 were given committee hearings during the remainder of the 88th Congress. The House Subcommittee on Irrigation and Reclamation came to Arizona for field hearings to learn of the need for the central Arizona project.

As the 89th Congress opened in 1965, California and Arizona were engaged in open warfare, particularly on the Senate side where Senators HAYDEN and FANNIN had reintroduced central Arizona project legislation as S. 75, and Senators KUCHEL and MURPHY had introduced their version in S. 294. On February of 1965, Senator HAYDEN, in order to break the deadlock, indicated he might accept Senator KUCHEL's amendment granting to California a priority for 4.4 million acre-feet annually until such time as 2.5 million

acre-feet annually were imported to the river—if such a bill actually passed the House.

Here on the House side, 34 California Congressmen introduced bills similar to the Kuchel bill—as did Arizona's three members. The action was hailed as a great breakthrough for unified regional water development, and Arizona dared hope again for approval of its desperately needed aqueduct from the river. Primary action shifted from the Senate to the House where H.R. 4671 was the bill upon which hearings were begun by the Subcommittee on Irrigation and Reclamation on August 23.

A seven-State consensus involving Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming was laboriously ground out during the next several weeks, and with each new agreement, the bill grew more inclusive, more cumbersome and more costly.

The gross regional project package, with its authorization of both Hualapai—Bridge Canyon—Dam and Marble Canyon Dam, and its proposal to import water from another regional river brought effective opposition from organized nature preservationists and the people of the Pacific Northwest.

Finally, on June 28, 1966, the House subcommittee sent the bill to the full Committee on Interior and Insular Affairs, and on August 11, that committee reported it out favorably. The hour was late. The bill was big. Its enemies outside the Colorado Basin were many and powerful. It did not reach the floor of the House, and Arizona's hopes for a central Arizona project were again shattered. Indeed, so shaken and discouraged were Arizona's leaders that the State legislature passed a water and power plan act as the basis for a "go-it-alone" central Arizona project in case the Congress ultimately failed to authorize it as a Federal reclamation project.

Obviously it is unfair to expect Arizona alone among the 17 western reclamation States to so heavily burden its people and its economy—and obviously none of the regional problems of the basin would, or could, be solved by such an approach. When hundreds of millions of Federal dollars are poured annually into so many other States for flood control, rivers and harbors and water resource development for which no repayment is expected, surely the Nation will not deny to Arizona its badly needed project for which practically all costs will be returned by its Arizona beneficiaries under terms of the National Reclamation Act.

I have brought this brief history now to the threshold of this 90th Congress. Swiftly, last January, we Members of this House from Arizona introduced again new central Arizona project bills, as did Congressman HOSMER, of California, and Congressman ASPINALL, of Colorado. It is Mr. ASPINALL's bill, H.R. 3300, that is before us today; and again it is a regional bill, though far more practical and acceptable to a larger majority than was H.R. 4671 in the 89th Congress.

On the Senate side, S. 1004, a bill jointly introduced by Senators HAYDEN, JACKSON, FANNIN, ANDERSON, and BIBLE,

was passed by an overwhelming vote on August 7 of last year.

For those of my colleagues who have not had time to study H.R. 3300 in detail, I want to emphasize two points in particular which seem to be of concern to many Members of this body. First, the bill does not authorize any dams on the main stem of the Colorado River. Second, the bill does not appropriate any money.

As an Arizona representative from the reclamation West and an active conservationist, I had many discussions and some honest disagreements with those who so effectively opposed the authorization and construction of Hualapai and Marble Canyon Dams during hearings in the 89th Congress.

But the conservationist organizations carried their point of view so effectively to the public at large that many of you felt the heat of their well-organized, well-financed, nationwide letter writing and newspaper advertising campaign.

Most of my Western States colleagues have believed that the social, esthetic, and economic values of Hualapai Dam and lake heavily outweigh the very minor encroachment upon the total natural values of the Colorado River—and that this dam at least ought some day to be built.

Nevertheless, in this bill, H.R. 3300, we bow to the superior political influence of our preservationist friends and invite and expect their support of a project authorization that does not include any dams on the Colorado River.

It is, incidentally, this omission of the mainstream hydroelectric power producing dams that necessitates H.R. 3300's new approach to the acquisition of power to lift water out of the river up into the central Arizona project aqueduct.

If you agree, as do even the bill's severest critics, that Arizona truly needs and ought to have its central Arizona project after all these years of waiting—and if you agree with the necessity of omitting the hydroelectric dams, then you will find this bill essential and worthy of your full support.

Concerning the second point having to do with appropriations of money for the project, I repeat that this bill is an authorization only and appropriates no funds whatever. We do not ask in this bill for appropriation of funds to begin construction of the central Arizona project or any other of the authorized works.

It is our conviction that with the hoped for early end of the war, it will be in the national economic and social interest to begin construction of this project as quickly as possible as an important means for economic adjustment. Thousands of people will be employed over a period of several years in the construction of this project. Millions of dollars worth of raw materials and industrial products and machinery will be required from suppliers located across the Nation.

In any event, the need for appropriated funds for the central Arizona project will be relatively small during the early construction period, and will peak out at about \$115 million in the 8th year.

Now I should like to proceed with an analysis of some of the other major provisions of H.R. 3300, and with comments on the compromises that are reflected in those provisions and Arizona's understanding of the agreement reached relating to those compromises.

The title of H.R. 3300—"Colorado River Basin Project"—indicates the bill's regional character. It is not simply a central Arizona project bill. On the other hand, it is very substantially reduced in scope from the Department of Interior's 1964 Pacific Southwest water plan or H.R. 4671, which was reported out by the House Committee on Interior and Insular Affairs in 1966 during the 89th Congress. The regional nature of H.R. 3300 lies largely in the foundation it provides for future actions by the Congress to resolve the future water problems of the Upper and Lower Colorado River Basin States. This purpose of the bill is stated in section 102(a), and in 102(b), the Congress advises the Secretary of the Interior to consult with affected States and with appropriate Federal agencies and then to develop a regional water plan as a framework for future coordinated project authorizations in the Colorado River Basin.

Title II provides for investigations and planning, and involves a determination of the long-range water supply available to the Colorado River Basin; investigation of all the possible sources and means for meeting anticipated water needs of the basin, except that no recommendation shall be made on importation of water from any other river basin without the approval of those States which might be affected by an exportation.

Arizona recognizes that eventually some means for augmenting the present supply of water in the basin must be found. Apparently such means should be developed within the next 30 to 40 years if serious shortages are to be avoided. However, our Arizona economy cannot tolerate a delay of the central Arizona project itself until the means of an augmentation are developed and achieved.

The investigations authorized by title II include water quality and conservation concerns, matters which are of prime interest to us as they are to the nation as a whole.

Section 201(a)(5) of title II instructs the Secretary to prepare estimates of long-range water supply in states from which water could be imported after their own long-range needs are fully accommodated. He must do this in accordance with principles, standards and procedures established by the Water Resources Council in conformity with the Water Resources Planning Act.

Next the Secretary is to submit a reconnaissance report to the President and the Congress by 1973, covering the results of all of his investigations of the means of augmentation. And by 1975 he is to submit a feasibility report on a plan for augmenting the supply of water available in the river below Lee Ferry by 2.5 million acre-feet annually.

Arizona is aware of the opposition to section 201 of title II by the States of the Columbia River Basin, and we are sympathetic with their desire and need

to reserve and protect the vast water resources of their basin for long-range future uses in that basin. However, we call attention to the fact that as a result of the opposition arguments of the Columbia Basin States, section 203 of title II provides very specific protection for all possible States and areas or origin. We also submit our opinion that it is quite likely that the authorized investigations will ultimately determine that the best and most economical way to increase the supply of water available to the Colorado Basin is by means of a combination of desalting plants, weather modification and various conservation measures.

This opinion is fully substantiated by Commissioner Dominy's testimony before the House committee in January and February of this year, as illustrated, in part, by the following dialog:

Mr. HOSMER. Don't you think when these studies are turned out, when they do take in all these alternatives, they will find anything from the Northwest is equally prohibitive, that nobody would consider trying to go that route?

Mr. DOMINY. I think that is right, sir.

Mr. FOLEY. Is it not a fact, Mr. Commissioner, that there is really not much of an impression in your Department that it is economic to move water from the Columbia Basin southwest compared to other available alternatives?

Mr. DOMINY. We have no final judgment and, of course, the quantities involved would play an important part in it.

Mr. FOLEY. If you had to make a present estimate based on the amounts required to make the Colorado River whole, would you judge that transmission of water or diversion of water from the Pacific Northwest is more expensive than any of the other proposals, assuming that they work out as projected?

Mr. DOMINY. Assuming conveyance limited to 2.5 million acre-feet, yes; I would say the cheapest source is in the Southwest rather than to go as far as the Columbia River.

Mr. FOLEY. In that context, it is your opinion, is it not, that if we were looking to costs, we would have to place diversions from the Pacific Northwest as the most expensive of the current suggested means of augmentation?

Mr. DOMINY. When you are thinking in terms of 2.5 million acre-feet; I think this is correct.

Title II does not point a gun at the States of the Columbia River Basin. If it points anything at all, it is but a small and very tentative question mark, and control of the answer is left in the hands of the Columbia Basin States.

Section 202 of title II simply confirms that satisfaction of the requirement of the Mexican Water Treaty is a national obligation. I will discuss this in some detail a little later in my remarks.

Section 205 authorizes, but does not appropriate money for the purposes of title II.

Title III is of primary interest to Arizona because it is most closely addressed to our immediate needs. Section 301(a) authorizes the physical works and facilities required for delivery of Colorado River water into the central part of the State.

I call your attention to the Granite Reef aqueduct and pumping plants which are sized to have a capacity of 2,500 cubic feet per second.

The matter of central Arizona project aqueduct capacity was once a subject of intense controversy between Arizona and California. The original Bureau of Reclamation design for the Granite Reef aqueduct was a capacity of 1,800 cubic feet per second, which would handle a maximum diversion of 1.2 million acre-feet annually on the basis of 11 months of continuous operation.

When the system was designed more than 25 years ago, it was assumed that there would never be less than 1.2 million acre-feet per year available; and an aqueduct of that capacity was therefore adequate. Since then, however, the need for water in central Arizona has greatly increased and the eventual possibility of recurring shortages of water available for diversion from the river has become a real possibility.

Simply stated, while there may ultimately be years in which there is less than 1.2 million acre-feet of water for the central Arizona project aqueduct, there will also be years in which substantially more than 1.2 million acre-feet are available to central Arizona. In the latter case, the central Arizona project aqueduct should have a capacity to carry more water in order to average out the years of short supply. A capacity of 2,500 cubic feet per second makes this averaging process physically possible. Fortunately, Arizona's development and use of groundwater makes such management of varying surface water supply very practical. When more than the average quantity of Colorado River water is available and being delivered—deep well pumps in central Arizona can be shut down to reduce the deliveries of groundwater in precise proportion to the amount of Colorado River water being delivered in excess of the average. In this way, water conservation management becomes a result and a function of adequate sizing at a 2,500 cubic feet per second capacity.

With this understanding of the purpose and function of a central Arizona project aqueduct capacity greater than 1,800 cubic feet per second, California agreed to a designated capacity of 2,500 cubic feet per second. In fact, in H.R. 4671 California agreed to a capacity even greater than 2,500 cubic feet per second providing Arizona itself financed the difference in cost above the cost of the 2,500 cubic feet per second capacity.

In subcommittee hearings on H.R. 4671, Bureau of Reclamation testimony showed that the benefits-cost ratio of the central Arizona project actually improves with increased aqueduct capacity, at least up to 3,800 cubic feet per second.

Subsection (b) of section 301 is the real basis for California support of the central Arizona project. It provides a shortage formula in any year in which there may be too little water to satisfy a consumptive use of 7.5 million acre-feet in Arizona, California, and Nevada. In the case of California, this protection is limited to not more than the 4.4 million acre-feet to which the U.S. Supreme Court said was allocated by the Boulder Canyon Project Act to California.

Arizona faced a political fact of life as it turned from the victory in court to resume the legislative effort in the Congress. California's representation in the

Congress was overwhelming superior in numbers to Arizona's three Members of the House of Representatives. It became abundantly clear to us that although the court had not provided a formula for sharing any shortage which might occur in the lower basin supply of mainstream Colorado River water, California would insist upon a formula being written into any central Arizona project bill as a condition of its approval.

Our urgency of need, and recognition of California's power and influence to prevent enactment of any central Arizona project bill of which it did not approve, persuaded Arizona to negotiate the issue in search of a basis for agreement. This was also in line with our interpretation of Chairman ASPINALL's plea to Arizona on September 8, 1963, that we compose our differences with our neighbors in the basin before submitting our project to his committee and the Congress.

Incidentally, though significantly, the priority of use over the central Arizona project under shortage conditions is extended by this provision to existing contract users in Arizona, as well as in California and Nevada. It is not our intention in any year of Colorado River shortage to reduce or limit contract deliveries of water to other established projects in Arizona for the advantage of the central Arizona project.

The first agreement with California on this issue was negotiated in connection with Senate bill 1658 which was introduced by Senators HAYDEN and Goldwater in the 88th Congress.

About that time, too, in a letter to my constituents in Arizona, I said:

Both Arizona and California have pressing water needs which cannot be long delayed. It's time we came out of the old trenches, shook hands and began working together to solve our common problems. To this end we should not decide in advance to reject any and all overtures, however constructive, which our neighbors to the west might take. Let us remember that our goal is water for Arizona at the earliest possible date. Which path is most likely to achieve that goal? This should be our only question.

At about that same time Northcutt Ely, California's chief counsel in the Colorado litigation, was reported telling his people that in all further proceedings the interstate priorities of existing California projects "must be protected against future Arizona projects" to the extent of 4.4 million acre-feet annually.

At a meeting of the Governors of Arizona, California, and Nevada on July 25, 1963, Secretary of the Interior Stewart Udall appealed to them to try to resolve interstate controversies and thus avoid carrying their differences before the Congress. He said:

I hope you will explore every possible route of compromise.

On September 8, 1963, speaking in Arizona, Gov. PAUL FANNIN warned that:

We have a long and difficult job ahead of us, and the major battle will be in the U.S. House of Representatives, probably after the Senate has passed the Hayden-Goldwater bill.

Shortly after the Supreme Court handed down its final decree on March 9, 1964, Mr. Ely publicly offered the 4.4

priority for California as the key for ending the Arizona-California deadlock over central Arizona project legislation. Later this suggestion, or demand, coming from both Mr. Ely and California Attorney General Stanley Mosk, was proposed as an amendment to S. 1658 by Senator KUCHEL, of California. Commenting on it at that time, Attorney General Mosk said:

If the amendment I have proposed becomes law, I shall, so long as life and health remain, appear before any committee of Congress if requested and testify in favor of appropriations to complete as rapidly as possible the proposed Central Arizona Project.

And Mr. Ely, in testifying before the Senate committee, said of the 4.4 million acre-foot California priority proposal:

Accept this and your new project (CAP) can be authorized at once, with our support not only for authorization but for appropriation.

It was against this backdrop of proposals, threats, and promises that negotiation of this issue was quietly begun between Governor Brown, of California, and Senator HAYDEN, of Arizona, in May of 1964. On July 27, 1964 the Senate Subcommittee on Irrigation and Reclamation recommended passage of S. 1658 which then included the 4.4 California priority for a period of 25 years.

The agreement which this expressed in proposed legislation certainly meant that when California's diversions were reduced to the court-decreed right of 4.4 million acre-feet annually from the 5.1 million acre-feet then being diverted by California, the Metropolitan Water District of Southern California would lose about 700,000 acre-feet of water annually due to the California intrastate system of priorities. For Arizona it meant acceptance of the principle that its central Arizona project water supply right is inferior to California's right to 4.4 million acre-feet. In the sense that both States yielded something of value in return for something of apparent value, a true compromise was reached.

The terms of the compromise have, however, been changed from time to time since 1964. In H.R. 4671 in the 89th Congress, at California's insistence, the 4.4 million acre-foot priority for that State became a forever-and-ever guarantee rather than being time-limited to 25 years. In S. 1004, the bill passed in the first session of this 90th Congress, the priority time period was increased from 25 years to 27 years to conform with the payout schedule of MWD bonds. In H.R. 3300 the California priority extends until the available supply of water in the Colorado River system is augmented in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of 7.5 million acre-feet in Arizona, California, and Nevada.

Arizona is not happy with this compromise—neither are many Californians. Nevertheless, we will support it because it is a necessary condition imposed by California in return for a promise of that State's support of a bill authorizing the central Arizona project and ensuing appropriations.

Section 302 of title III deals fairly and handsomely with the rights of certain

Arizona Indians as they are affected by the central Arizona project. Our Indian citizens deserve equitable consideration by both Federal and State Governments and section 302 provides just that in terms of money, lands, and other benefits.

Section 303 is a highly significant resolution of the problem created by the omission from this bill of the hydroelectric dams on the main stem of the Colorado River. This method of providing the essential power requirements for the central Arizona project was among the Sierra Club's suggested alternatives for the dams to which they so militantly objected.

Section 303 provides that the Secretary of the Interior should study all alternative methods of supplying power to meet the pumping needs of the central Arizona project, but none of the plans are to include dams on the mainstream of the Colorado River.

Any plan which the Secretary selects must be submitted to the Congress within one year after the date of this act, unless the plan selected is for participation in a thermal steamplant by prepayment as provided in subsection 303(b) of this act. If participation in a thermal steamplant is selected, the Secretary may enter into contracts with the non-Federal interests who propose to construct and own a large thermal generating powerplant; under which the United States will acquire sufficient capacity in the plant to operate the pumps and associated facilities of the central Arizona project.

The Federal Government will pay not more than its share of the costs of the powerplant and facilities under the power prepayment plan. The Federal Government's share of the capacity of the thermal powerplant shall not exceed the ratios of the respective capacities to be provided for the use of the United States to the total capacity of the thermal plant. For example, if the United States requires 400,000 kilowatts of power, the Federal Government's share of capacity of a 2-million-kilowatt thermal plant would be 400 two-thousandths, or 20 percent. The prepayment by the United States would be 20 percent.

The Federal Government will also share in transmission capacity from the powerplant to the pumping plants. The Government will pay for and use a proportionate share of any line capacity needed to meet the pumping requirements.

The policy of the State of Arizona, and a basic concept of the Bureau of Reclamation plan for the central Arizona project, is that no water delivered by the project shall be used to develop new irrigated lands. It always has been and is now a rescue project to provide supplemental water to sustain existing agricultural uses and future municipal and industrial uses.

Section 304(a) provides that no water delivered by the central Arizona project shall be made available for irrigation of lands which have no recent irrigation history. Indian lands and national wildlife refuges are, of course, excepted.

Our annual overdraft upon groundwater in central Arizona is estimated to

be in excess of 2 million acre-feet. Central Arizona project water simply must be used to the fullest possible extent to reduce that overdraft upon limited groundwater reserves. This gets at the heart of our most pressing and immediate need.

Subsections (b), (c), (d), and (e) of section 304 set forth the conditions which will govern central Arizona project water delivery contracts with the Secretary. The Secretary may, if necessary, require that contracting organizations possess the power to levy assessments against real property to assure repayment. The basic project cost repayment period is 50 years. The price of water for each class of use shall be the same at all points of delivery. Water contracted for irrigation use may be made available by the Secretary for municipal and industrial use if such water is no longer required by the contractor for irrigation purposes. This last provision is intended to accommodate change in water use as agricultural lands in the central Arizona project service area are urbanized. It is a wise provision in light of Arizona's rapidly expanding urban population and industrial development, and in view of limited water resources.

With growing pressures of population and the very real need by people for recreation facilities to enrich their lives, it is logical and reasonable that water should contribute to meeting that need. The Arizona Game and Fish Department is making a valiant effort to keep up with the demand for such facilities. It has a tentative plan for development of a few small water impoundments in the high, cool elevations of Arizona where evaporation rates are relatively low. Water, even in the small amounts required for such nonconsumptive use, is available only if, by means of the central Arizona project, exchanges can be negotiated. Subsection 304(d) provides authority for such exchange contracts.

Central Arizona project contracts are also tied to conservation of both surface and ground water. Contracts will require measures in effect and adequate to control expansion of irrigation from ground water aquifers receiving recharge from irrigation in the contract service area. Canals and ditches must be lined to prevent conveyance losses, and ground water shall not be pumped inside any central Arizona project service area for use outside such areas unless a surplus exists which requires drainage.

Contractors may be required to make water exchange agreements in order to benefit water-short communities beyond reach of the central Arizona project main aqueducts.

Section 304(f) provides a potential central Arizona project benefit for users of Gila River water in New Mexico by exchange. An average of 18,000 acre-feet annually may be made available in New Mexico in this way providing that such an exchange produces no economic injury or cost to exchange-conditioned contractors in Arizona. If and when the Colorado River system is augmented sufficiently to make more than 2.8 million acre-feet annually available in Arizona, an additional 30,000 acre-feet may be

made available from the Gila River by exchange.

This again is the result of an interstate compromise, negotiated somewhat reluctantly on Arizona's part, but agreed to and kept in good faith insofar as this particular bill, H.R. 3300, is concerned. Arizona considers it a part of the package which it supports for the purpose of obtaining the central Arizona project authorization contained in H.R. 3300. If this bill is not enacted the agreement between Arizona and New Mexico on this matter is, of course, nullified.

Section 305 is a further implementation of the principle that the water requirement of the Mexican Treaty is a national obligation. It specifies that water added to the river to meet this obligation—to the extent that the treaty deliveries reduce the available supply for California's 4.4 million acre-feet, Arizona's 2.8 and Nevada's 0.3—shall cost users in these States no more than it would have had it been available without the augmentation. This is a part of the legislative package which Arizona supports because of the agreement on a regional approach to Colorado River problems including authorization of the central Arizona project. But although we support this and other regional factors of the bill, and regard it in good faith as a part of the package on which an agreement exists, we wish to point out that the Bureau of Reclamation has repeatedly indicated that the central Arizona project is completely feasible in all respects on its own merits alone.

Section 306 directs the Secretary to undertake programs for water salvage and groundwater recovery along the mainstream of the Colorado River. This highly important program can ultimately make several hundreds of thousands of acre-feet of water available in the river according to the Bureau of Reclamation, and to the extent that it does, the shortages which may develop could be delayed or even prevented entirely. Water users in the Colorado Basin, including Arizona, can ill afford preventable waste or losses of water.

A compromise between Arizona and Utah is given force in section 307 which reauthorizes the Dixie project and provides for its participation in the repayment arrangement of the Lower Colorado River Basin Development fund. The estimated costs of the Dixie project have increased and Arizona cannot deny Utah the advantages made available to other basin States by the regional approach of H.R. 3300.

While section 309 authorizes the appropriation of funds required for construction of the central Arizona project works and facilities, it does not actually appropriate any money.

Of course, Arizona wishes and badly needs an immediate start of construction. Even with a start this year it would be 1976 at the earliest before water deliveries could be made—nearly another decade of groundwater overdrafting to stay alive. Eight years in which more farmland will go back to the desert, and more economic losses will be sustained by Arizona businessmen whose incomes

depend in whole or in part on agriculture.

But we respect the judgment of so many of our colleagues that the condition of our national economy recommends a temporary postponement of spending, even for wealth producing resource development projects such as ours.

TITLE IV

As in most present day major reclamation projects, the bill provides for the establishment of a development fund covering the authorized lower basin projects and future augmentation of the water supply of the Colorado River.

A development fund, as used in reclamation project legislation, is nothing more than a special bank account set up in the Federal Treasury in and out of which flow all funds related to project construction and operation. The revenues which will flow into the fund from water and power sales will be used to repay the Federal Government for a major portion of the money advanced for the construction. These revenues will later be used to help finance future programs needed to augment the Colorado River water supply.

Project revenues are derived principally from water and power sales from projects which are authorized by this legislation, as well as from other projects after amortization. Repaying the Federal Government for water resource projects such as the central Arizona project is a long-established, time-honored procedure in the reclamation program.

As a practical matter, this bill actually creates two development funds. One fund will be used principally for assistance to the central Arizona project—including Hooker Dam and Reservoir in New Mexico—and Utah's Dixie project. Into this fund will go 23 percent of Hoover-Parker-Davis postamortization power revenues—the portion flowing from sales in Arizona—plus surplus revenues of the Pacific Northwest-Southwest intertie attributable to Arizona and Nevada.

The other fund—the remaining 77 percent of Hoover-Parker-Davis revenues—will be credited to the fund and earmarked for the long-range augmentation program. These moneys come from California-Nevada sales.

After the 50-year payout period of the central Arizona project, the two funds will then be consolidated with all revenues combining to finance whatever plan has proven feasible for the ultimate stages of augmenting the water supply of the river.

This two-fund arrangement is the result of another basic compromise between California and Arizona which has permitted this legislation to move forward.

TITLE V

The principal section of this legislation relates to the authorization of five projects in the upper basin—Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel. Since these projects will be discussed in detail by my colleagues representing the areas where the projects are to be located, I shall refrain from speaking on them—other than to

say that they are necessary projects and have the complete support of my State.

TITLE VI

Title VI is the result of long and arduous negotiations between representatives of the basin States relating to many important and hotly contested issues. The negotiations were carried on by the technical staffs of the States and the Department of the Interior, and dealt with extremely complex technical and difficult matters. The final agreement establishes guidelines for water management and power generation on the river and are intended to assure equitable treatment for all seven States of the basin now and in the future.

Also included as a later compromise is section 605 which removes the stretch of the Colorado River between Hoover Dam and Glen Canyon Dam from licensing authority of the Federal Power Commission, reserving decision respecting any new power development on this stretch of the river to the Congress itself at some future time.

THE MEXICAN TREATY OBLIGATION

To win friends in Mexico in 1944, the Government of the United States gave away a large part of the Colorado River. However justified the giant giveaway may have been in terms of international relations, it created the water supply shortage that now threatens the economic life of seven American States and more than 11 million American citizens.

The treaty negotiated by the Federal Governments of Mexico and the United States, and ratified in 1945 by the U.S. Senate, skimmed 1.5 million acre-feet of water off the top of the annual flow of the Colorado River for delivery to Mexico, where no more than half that much was required at the time. Thus, at the expense of an area covering one-twelfth of the continental United States, the future expansion of irrigation in Mexico was guaranteed by the U.S. Government.

Since the Federal treaty created the water shortage in the Colorado River Basin, it is reasonable to expect the Federal Government to assume full responsibility for replacing the water it gave away. This is what is proposed by section 202 of the Colorado River Basin project bill, H.R. 3300.

Now a few of our colleagues have declared war against this provision of the bill. They express outrage against it. They have been heard to claim that it will cost taxpayers \$8 billion—or is it \$80 billion or \$800 billion—and that Arizona and its sister States ought to pay it.

This is basic nonsense. The provision is fair and reasonable. It is based on solid precedent. In any event, it will not become effective before the latter part of this century, and when—and if—it is finally implemented by a future Congress, it will not cost any outrageous amount of money.

All we are asking now is the adoption of a simple statement of intention and good faith by this Congress that when a sound and reasonable plan is developed, the 50 States will some day help the seven states get out of the box that they put us into with the Federal treaty in 1944.

I am a little outraged myself on one point. If my colleague from Pennsylvania had not so effectively led the battle in committee against Hualapai and Marble Canyon Dams, we would have the means to pay for augmentation works through the sale of hydroelectric power without this provision which he also now does not like.

If the Colorado River were controlled by the seven States through which it flows and from which it receives its water, the case might be quite different. But the States do not control it.

The Colorado is an interstate river, an international river, and a Federal river. That is trouble, trouble, trouble. It has been anybody's river, nobody's river, and everybody's river. But through all of its trouble-ridden history Uncle Sam has insisted on his right to hold the nozzle for everybody who has a bucket to fill.

Before the turn of the century, boats carried freight from the Gulf of California up the river at least as far as Yuma, Ariz., and that, by definition of the Department of Commerce, established it as a navigable stream and, therefore, subject to Federal control.

Before the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming could negotiate a compact among themselves concerning use of water from the river, they had to be given the authority by the Congress of the United States.

When the Boulder Canyon project was authorized by the Congress in 1928, Federal control of the Colorado was even more thoroughly established. Thereafter the only way a right to divert water could be acquired in the lower basin was by means of a contract with the Secretary of the Department of the Interior.

If there was after that any doubt that the Colorado River was completely owned and controlled by the Federal Government, such doubt surely died when in 1944 the State Department negotiated a treaty with the United States of Mexico taking 1.5 million acre-feet annually of the river's flow and giving it to Mexico. The right to do just that had been reserved in the Colorado River compact, and when it was done, it was a Federal action, not an action of the seven States of the basin.

Later, in 1964, in the case of Arizona against California, the U.S. Supreme Court's final decree reserved the right of the Federal Government to deliver water from the river to federally reserved land, Indian reservations, and in satisfaction of the Mexican Treaty obligation.

No more evidence is needed to prove that the Colorado River is possessed, owned, controlled, operated by the Federal Government. It is in that light that we must examine and act upon the provisions of this bill which deal with the Mexican Water Treaty.

So far the Federal Government has exercised its right to divide and distribute the water of the river, but that is only half of the authority of ownership and control. The other half is the responsibility to deliver what has been promised.

The Mexican Water Treaty of 1944 is a promise on the part of the U.S. Fed-

eral Government to deliver a net 1.5 million acre-feet annually from the Colorado River to Mexico. Furthermore, it is a first priority draft upon a river that flows entirely in the United States for all but 75 miles of its 1,300-mile length.

It is beside the point to argue that at the time the treaty was negotiated many experts thought there was more than enough water in the Colorado to satisfy all of the allocations made to the seven American States by the Santa Fe Compact, plus the estimated 1.8 million required to deliver 1.5 million to Mexico.

This bill H.R. 3300 does not propose the use of any more water than was allocated to the American States by the Santa Fe compact of 1922. The fact that there may not be enough water in the river to supply all of those allocations is traceable to just two causes:

First. The 1.8 million acre-foot requirement to meet the obligation of the federally negotiated Treaty with Mexico; and

Second. The decreasing flow of the river due to prolonged drought.

We can ask the Lord to end the drought, but the Lord expects us to help ourselves, too, and that is what section 202 of this bill proposes in the following words:

SEC. 202. The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of this Act and authorized by the Congress.

Accordingly, the States of the Upper Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which may have been imposed upon them by article III(c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican Water Treaty together with any losses of water associated with the performance of that treaty.

Here in brief is what this provision means:

First. The Congress declares that in all good conscience and fairness the obligation to deliver the Mexican water under the 1944 treaty should be a burden of the 50 States which made the treaty, and not a burden of just the seven States from which the water was taken.

Second. The enactment of this provision is not an authorization nor an appropriation of a single Federal dollar. Except for any force it might have as a moral commitment, it would not bind a future Congress to authorize or appropriate money for water augmentation works.

Third. It simply confirms and supplements article 12(b) of the 1944 treaty which provides:

The United States, within a period of five years from the date of the entry into force of this Treaty, shall construct in its own territory and at its expense, the Davis storage dam and reservoir, a part of the capacity of which shall be used to make possible the regulation at the boundary of the waters to be

delivered to Mexico in accordance with the provisions of Article 15 of this Treaty." (Underscoring added.)

And further, by requiring that water to serve the treaty burden shall be "the first obligation of any water augmentation project authorized by the Congress."

Fourth. It conditionally relieves the Colorado River Basin States "from all obligations which may have been imposed upon them by article III(c) of the Colorado River compact"—if in fact such an obligation did continue to exist after the negotiation and ratification of the Mexican Treaty containing article 12(b) above.

Fifth. It conditions final and complete relief upon an augmentation program having been put into operation adequate to provide for Mexico's treaty entitlement.

The provision is addressed to a long-range problem of anticipated water shortage which is at the very root of the controversy that has raged among the Colorado Basin States for many years. The augmentation will not be required all at once, but rather, in stages and in relatively small amounts beginning probably about the year 1990 when 102,000 acre-feet of "new" water may be needed to satisfy total minimum contract entitlements.

I want to emphasize again that if this bill authorized the Hualapai and Marble Canyon Dams on the main stem of the Colorado River, as was the case in previous bills, there would be very little problem with paying the cost of the augmentation of water supply made necessary by the Mexican Treaty.

In the 1966 subcommittee report on H.R. 4671, page 40, report No. 1849, the statement was made that over a period of 100 years, the sale of power generated at Hualapai and Marble Canyon Dams would put \$1,996,000,000 into a development fund to help pay the cost of augmenting the water supply of the Colorado River Basin.

But neither Hualapai nor Marble Canyon Dams are proposed or authorized by H.R. 3300. We can all remember the stacks of frantic letters that came to our desks from the organized opponents of the dams. We can remember the hostile testimony by those opponents during committee hearings on H.R. 4671. We can remember the full page advertisements in the New York Times and the Washington Post raising a fearful cry of alarm at the very thought of building the dams. It was a political nightmare for many of you who otherwise wished to give us wholehearted support for the bill.

In those dams we had a traditional reclamation way of paying for the central Arizona project and of making nearly two billions of dollars available from the sale of power for eventual augmentation of the water supply. We had that way, but it was denied to us by the political pressures of opposition.

The provisions of section 202 of this bill are therefore proposed and are essential as the only available and practical alternative for those dams.

Returning now to the water treaty with Mexico, let me give you some of its background and history.

Early diversions of Colorado River water for use in Mexico were made about the same time diversions were made for Imperial Valley and others in the lower Colorado River area. Inasmuch as the Colorado is a "feast or famine" river, these uses did not reach substantial proportions until after Hoover Dam was built—resulting in the control of floods and storage of water for use during summer low periods of flow.

Following this, during World War II, water uses of Mexico and the United States from both the Colorado and the Rio Grande Rivers gradually increased. Although never officially recognized, it seems to be no secret that Senator Connally, of Texas, was the chief proponent of a new treaty with Mexico relating to these rivers. The only existing treaty related to a relatively small stretch of the Rio Grande in the El Paso-Juarez area. The proposed new treaty would relate to the remainder of the river—clear to the Gulf of Mexico—and would provide Texas with a firm right to a substantial quantity of water otherwise under dispute with Mexico. At the same time, the Mexicans were only taking about 750,000 acre-feet out of the Colorado—but wanted more for their long-range development in the Mexicali area of the Colorado River delta. So the "trade" was made by which the Mexican Government gave up a big part of its claim on the Rio Grande—in exchange for doubling Mexico's supply on the Colorado. The State of California—the largest user of Colorado River water—led the bitter fight against ratification of the treaty, but without success. The treaty became effective in November of 1945, giving Mexico first call on the river for a net of 1,500,000 acre-feet.

At the treaty hearings numerous opposition witnesses warned that a shortage situation would ultimately come to pass—as it now seems clear will be the case. The United States having made this treaty, it should now bear the burden of making good on the obligation. Mr. Northcutt Ely, counsel for the Colorado River Board of California, in his testimony before the House Committee on Interior and Insular Affairs in connection with H.R. 4671, discussed the matter this way:

As I say, in 1944, under wartime conditions, this generous treaty was made with Mexico in which we guaranteed her the availability of 1,500,000 acre-feet at the boundary in perpetuity. There were assertions then before the committee that this would in fact create bankruptcy in the water supply of the Colorado River. This was denied by the State Department. We now have, released 20 years after the event, some of the memoranda exchanged between our State Department and Mexico during the negotiations of the treaty. One of them is a communication from our Government to the Mexican Government saying that any delivery to Mexico in excess of about 1,100,000 acre-feet would automatically create a built-in shortage in the United States. Notwithstanding this, the treaty guaranteed perpetually the delivery of 1,500,000. We think that the United States having undertaken this as a national obligation for a valid international reason, should not require the farmers, the water users, the cities of the Colorado River Basin, to make good on this any more than when it gives away millions of tons of wheat from the Middle West it should expect the farmers

to furnish that wheat without proper compensation.

Although shortages were certainly anticipated by many witnesses during the treaty hearings, we must assume that the Senate must have mistakenly concluded that the river would have a water supply adequate for all. Such being the case, the Nation—not the basin States—should rectify the error.

There is a whole body of precedent for Federal financial responsibility in connection with the Mexican Treaty. Construction of Davis Dam on the main stem of the Colorado and Painted Rock Dam on the Gila and Elephant Buttes Dam on the Rio Grande was paid for by the Federal Government without question in order to fulfill the promises and purposes of the treaty. When Mexico complained about the salinity of Colorado River water 3 years ago, a bypass canal was built at Federal expense to carry salty return flows around Mexico's diversion point. The treaty obligation does not demand any such action, but it was done to accommodate an accepted moral obligation, and at Federal expense.

Furthermore, as reported on page 44 of House committee report No. 1312 on H.R. 3300, the Bureau of the Budget recognizes and supports our position in this matter in the following words:

The Bureau [of the Budget] does recognize, however, that one of the important demands on the river is to provide water necessary to meet the commitments made by the U.S. Government to the Republic of Mexico in the Treaty of 1944. Should the Congress decide that the situation is unique, we believe that the price guarantee should be further limited to not more than 1.5 million acre-feet of water annually, the amount required to meet the U.S. treaty obligation. With this proviso, the chances would appear minimal, based on Department of the Interior estimates, that any imported water would have to carry a price higher than mainstream water—at least in the period through year 2030.

Among knowledgeable people there seems to be little if any disagreement that the Mexican Treaty is a national obligation on the Colorado River just as much as it is on the Rio Grande—and that the United States should clearly assume and acknowledge this obligation—as the language of H.R. 3300 would have it do. Secretary Udall, on being asked his opinion on the question during last year's hearings on H.R. 3300, gave this concise reply:

This is my own personal feeling: I think most of my people feel the same way, as far as the Colorado River is concerned, that we ought to see and assume this as a paramount national obligation and that we ought to have, roughly, the same pattern on the Colorado that we have on the Rio Grande, which is the other river that this country shares with Mexico.

Not only is such an assumption fair and proper—it is the key to the political problem of "compromising" the difficult issues between California and Arizona with reference to California's claim for a priority in times of shortage. Unless the Mexican Treaty is assumed as a national obligation all coming shortages in the river fall on the central Arizona project alone. With the hydroelectric dams having been deleted from the bill

there is no practical, economical, or political way for Arizona, as an inland State, to provide this badly needed water for all others in times of river shortage.

The United States itself—not the basin States—made the treaty with Mexico. The United States alone agreed to construct and operate Davis Dam and other facilities “at its expense” to fulfill the Mexican Treaty burden. If at some future date it can only fulfill its treaty commitment by curtailing deliveries of Colorado River water already allocated to California, Arizona, and Nevada by the Boulder Canyon Project Act, then in all honesty and good conscience it alone should be responsible for augmenting the water supply of the river to this extent.

In any event, there is nothing unprecedented, outrageous, or unusual about the Federal Government paying for flood control, water, or other resource development projects, even though the main benefit goes to a single State or region. Indeed, the basic pattern of harbor, flood control, river channeling, navigation improvements—particularly where several States, or an entire river basin is involved—is for Federal financing on a nonreimbursable basis.

The fact that we have two different standards and approaches in this country toward financing Federal water projects is often overlooked. In all States but the Western reclamation States the Federal Government, largely through the Corps of Engineers, has provided tens of billions of dollars for harbors, navigation, flood control, and other works and facilities usually without any repayment by the local beneficiaries. Few complaints are heard when the Federal Treasury picks up the check for the St. Lawrence Seaway, Tocks Island Dam and Reservoir, the Intercoastal Waterway, and many similar projects.

In the West, however, the pattern is entirely different. Few water projects have ever been built in the Western States without strict provisions for user repayment of the costs with interest. Thus central Arizona project water users will repay some 90 percent of the costs of our project, most of it with interest.

In the light of the above discussion, I believe Arizona and the Colorado River States can ask the National Government fairly—in this unusual situation which the National Government brought about—to make an expression of good faith, a tentative, moral commitment to pay for the works necessary to enable the Colorado River Basin States to carry out a burdensome foreign treaty they did not make.

CONCLUSION

Mr. Chairman, this has not been easy legislation to put together. In fact, with the diverse interests of the seven Colorado Basin States and their respective water agencies, the States of the Pacific Northwest, the recreation-conservation groups, the private and public power interests, the coal industry, the affected Indian tribes, the Mexican Treaty problem, and many others, this bill has become one of the most complex reclamation bills ever considered by this body. But with its complexities, its compro-

mises and its long look into the future of the Southwest, it is a bill which will—after 50 years of battle—finally bring peace to the Colorado River Basin and its people.

Every provision, every section, is important to final passage of the bill. I urge each of you to accept the bill as a “package”—as a complete foundation upon which to solve the water supply problems of the great Pacific Southwest area of our country. Never was more time, more thought and more serious consideration given to a great regional problem by any committee of the Congress. Changes and amendments at this time could be fatal to the entire effort. I respectfully request that each of you accept the committee's recommendations without any amendment.

I know of no one who opposes the central Arizona project. The gentleman from Pennsylvania says he is for it. My good friends from the Northwest tell us they are for the central Arizona project.

The opposition is centered on some of the peripheral things, on some of the additional things, which, as the gentleman from California [Mr. HOSMER] pointed out, have helped to solidify the seven States and to compromise the differences which have divided us.

I should like to spend about 10 minutes on one of those controversial things, a matter which has resulted in a flood of letters to your offices.

The gentleman from Pennsylvania and others have been making war on this Mexican Treaty provision. They are outraged by it. They tell us it will cost \$6 billion or \$8 billion. I saw “\$19 billion” in a letter today. By tomorrow morning I expect it will be \$190 billion, and we will be bringing the water from Jupiter by space ship.

They say that we are saddling the taxpayers with a blank check, with an obligation no one can really determine, and that this outrageous thing will fall upon the taxpayers of New York and of Michigan and of other States.

The gentleman from Pennsylvania said in his remarks that we have no idea what this provision will cost. I will tell the Members exactly what it will cost. I hope someone will get out a pencil and write it down. I want to tell precisely what the Mexican Treaty provision in this bill will cost.

It will cost nothing. This provision does not authorize a dollar. It does not appropriate a dollar. It does not promise to authorize or to appropriate a dollar. It is merely a statement of good faith and of good intention by the people of this country to someday, perhaps, help out the Southwest States with a very serious problem.

What they have been saying about this provision is really nonsense.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Colorado.

Mr. ASPINALL. And that is only after the study shows feasibility.

Mr. UDALL. Precisely.

If there is any doubt on that, send to the back of the room and get a copy of the bill or of the committee report. It is section 202 of the bill, on page 52.

This provision is not complicated. It is not outrageous. It is not unfair. It has precedent for it. It is based on sound reason. It will not become operative until at least a large number of years have passed and studies have been made, as the gentleman from Colorado suggests.

All we ask now and all this provision contains is a kind of tentative moral commitment and statement of good intention by the Congress toward the people of our seven States. It is a simple little “sense of Congress” thing that has caused a great deal of comment around here, and I believe a great deal of unfair and distorted comment.

Now, the single most important fact about the Southwest is that we are short of water. This Colorado River area is short of water. Let us get plainly clear here that we are short of water, in part, because twice—twice now—the Federal Government, for reasons which probably made sense to the people of this Nation and probably made sense in terms of national policy, has imposed upon our States, and particularly upon my State. First in 1944, in a wartime situation, in order to settle a whole host of problems with Mexico involving the Rio Grande and the Colorado, in a situation when we were about to go to the United Nations, when we were fearful of arbitration or a suit in the World Court by Mexico, the United States of America gave away our water we did not have to give. It was done in good faith and sincerely and with good intentions, but the financial burden of this falls upon seven States, just as if it had been done vindictively.

As the gentleman from California [Mr. HOSMER] pointed out, when we make a treaty, a NATO Treaty, for example, its cost does not fall on Pennsylvania or New York. The cost of such a Federal treaty falls upon the 50 States.

So all we are asking here is that Uncle Sam, through the Congress, will consider these things and say to the seven States, that some day down the road, if your States will come up with a reasonably designed plan which does not cost too much money and, if you will let us take a look at it before any final commitment, we in the Congress will be inclined to look at it with favor. That is all it says.

The second thing done by the Federal Government is just as damaging. Some of you who have been complaining about this bill will remember some of this. In the year 1919 Congress decided that we ought to have a Grand Canyon National Park. Senator HAYDEN, who was then in the House, said: All right, let us have one, but let us not forget one of the best damsites in the whole Western United States, which is in the bottom of that canyon. The United States of America, acting through the Congress, wrote into that law a provision saying to the seven States and to Arizona that, when you need that damsite, it will be available. The creation of the park will not prevent the construction of the dam.

We came in a couple of years ago and said: All right, we are ready to go ahead with water development in this area. We want a couple of dams in the Colorado River as the Government said we could

have. Well, a great storm of controversy arose. You remember the full-page ads, the letters, and the books that were put out. We had all of this great controversy about it. One of the things they said was that these were just "cash registers," they are just money raisers to help you build water facilities in your State. Indeed, they were just cash registers. The truth is that Hualapai Dam would have provided excess revenues of \$2 billion to help us replace water given away to Mexico in 1944. When we came to the Congress, we fought that fight, and apparently it was the will of the majority of the Congress that these dams not be built, and they are not in this bill. We have done what the Sierra Club and other conservation groups said for us to do, that is, take out these dams. They said that the people of the country would help us. During that debate people were testifying that, if it were just money that Arizona wanted, then let us give them the money. However, for reasons that the people of the United States have considered adequate, we have had taken away from us, for the time being at least, this right to build a \$2 billion asset. The Government has reneged on a promise to our State and the States of the region.

So I say once again that the United States of America, for reasons which were considered adequate, has imposed this upon our State.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASPINALL. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. UDALL. Mr. Chairman, we accept these decisions. The treaty is done. This is an obligation of the Nation which will be a first mortgage on the river. We bear the consequences and accept them. We accept the decision, at least for now, that there will not be any dams built in the Grand Canyon. We are willing to do that, and our project in Arizona will pay back 90 percent of its cost with interest into the Federal Treasury. We point out to our sister States and to the people of this country and to the Members of the Congress who represent them that you have done these two things to us, but here is what we would like you to do for us. We are going to have a 5-year study made to see how to augment that river. This is in Title II of the bill. This is what they are complaining about here. At the end of that 5-year period we will have an augmentation plan based on the Secretary of the Interior taking a full look at all of the possibilities. He will then come in here with a plan as to how to augment the river. This might be composed of various things such as weather modification, channeling, water recovery programs, desalting, or imports.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Colorado.

Mr. ASPINALL. This is limited to the amount of 2.5 million acre-feet, which makes it a very small project as far as any such program is concerned. Is that right?

Mr. UDALL. That is right. The testimony before our committee was that of all the alternatives, from what we now

know, importing water from the Columbia River is the most expensive and the most unlikely. It would cost 120 times as much to do it this way as by weather modification, if we could prove it out. We do not have the answers yet, which is why we need this study. It would cost something like five times as much or \$30 versus \$150 to provide this water, from what we now know, by desalinization. So Columbia River export is one of the most unlikely of all of the possibilities. But we want to, and think we are entitled to look at all the possibilities before a decision is made.

Now, we are saying to the country, in the 1970's we will come in with a plan and present it to Congress and at that time give you the details thereof. We will then have a price tag on it. At that time we want to be able to point out the fact that back in 1968 the House of Representatives said that having taken away our dams and our water, we would feel inclined to give you a hand to pay for this kind of a reasonable program.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Colorado.

Mr. ASPINALL. Does not this also go to the point that when the upper basin begins to use its entitlement in the Colorado River compact area, you do not then wish to be placed in the position that the facilities for the central Arizona Valley project could no longer be operated satisfactorily.

Mr. UDALL. Precisely.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Iowa.

Mr. GROSS. According to the gentleman, the Federal Government seems to have done nothing really worthwhile and it has been niggardly with the State of Arizona. I hope the gentleman from Arizona [Mr. UDALL] does appreciate the help and assistance which was provided to his State during last winter's blizzard when the Air Force fed and kept alive thousands of head of livestock.

Mr. UDALL. I extend our heartfelt thanks to a generous Federal Government which helped feed our livestock during the period of that snowstorm.

Now, Mr. Chairman, let me sum it up, if I may, with an analogy. A father has seven sons and he has a big estate and all of it is not being farmed. He plans someday to carve out smaller separate farms for each of the sons. He has a river running through it and thinks he has more than enough water for eventual development of all the land, and he makes available, some of it, to a neighbor, on a permanent basis. Time passes and the sons grow up and the father finds that he does not have sufficient water for the operations of his sons. He says to them, "I am not going to sign a blank check, but I think I ought to help you." I ask you to go out and obtain plans to get the water which you need. You check with the water engineers, you get a well driller and you get an engineer and find some water resource nearby and get some bids on wells and canals necessary to bring it in here. Then come back to me with some sound cost figures. If that is

done it is my intention as your father to help. If the cost is reasonable and my financial positions permits, I'll be inclined to help my sons, since I helped my neighbor at your expense. In terms of an analogy our States in this bill with respect to this Mexican Treaty are about in the same position as the seven sons.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Are you the same MORRIS K. UDALL who delivered a speech at the Biltmore Hotel in Los Angeles on Tuesday, Dec. 19, 1967?

Mr. UDALL. I am the same individual who delivered that heroic and noble speech; yes. Will the gentleman agree that that was one of the finest orations of modern times?

Mr. SAYLOR. If the gentleman will yield further, I would not go quite that far. But, it is my opinion that the Members of the House should know what the gentleman said on that occasion because in my opinion it has a great deal to do with this treaty, and this is what you said:

In our bill last year we had a little feature that went almost completely unnoticed, and there was little controversy about it. That feature provided that the federal government would assume the Mexican Treaty burden, picking up the tab for the first 2.5 million acre feet of augmentation of the river. That little item, all by itself, could mean perhaps about \$2.5 billion to the states of the Colorado River Basin, the equivalent of about two Hualapai Dams. I think such a transfer of that burden is still possible and ought to be getting our maximum attention and effort. I think that what we can do for ourselves in this area is a lot more important than grouching about the loss of those two dams.

Those were your figures, were they not?

Mr. UDALL. The gentleman from Pennsylvania read a part of my speech with reference to the cost figures. In the quote he read I said, "could mean, perhaps, about \$2.5 billion." I went on to say that we did not have definite figures; that we needed to make a study. Those figures you quote were based on a rule of thumb figure given in testimony before the committee. The estimated figure was \$1 million for every 1,000 acre-feet. That is the only kind of figure we will have now. On further, refined study, the cost may be less or it may be more. This is why we need this study, because we want the distinguished gentleman from Pennsylvania on our side and want to give to him pretty solid information on this project.

Mr. Chairman, before my time runs out, permit me to make two other points.

This outrageous provision they are talking about, this raid on the Treasury, has survived the scrutiny of the Budget Bureau. The Budget Bureau is not noted for approving wild-eyed, blankcheck, open-ended spending schemes, and the Budget Bureau in the report on this bill said they did not oppose it if the Congress found it was an appropriate provision.

Finally let me make this last point—

Mr. FOLEY. Mr. Chairman, will the gentleman yield at that point?

Mr. UDALL. My time is running out, but I will yield briefly to the gentleman from Washington.

Mr. FOLEY. Is it not true that the Budget Bureau specified that it was a matter for Congress to determine; that they were not urging the Congress to undertake this. They only said they had no objection as long as the undertaking was considered "unique" by Congress and did not exceed 1.5 million acre-feet; is that correct?

Mr. UDALL. I do not have the report in front of me. I know the Budget Bureau said it was a matter for the Congress, and if Congress wanted to do this they would not choose to stop it.

Mr. FOLEY. If the gentleman will yield further, is it not also true that the Justice Department in its report on the bill in 1966 opposed the assumption of the Mexican Water Treaty burden, and that nothing has happened to indicate a change of opinion by the Department of Justice?

Mr. UDALL. The official position of the administration is through the Budget Bureau, and the Budget Bureau in the hearings, and in the report, did not object.

Mr. Chairman, I want to make one more point before my time runs out.

The irony about the consideration on the Mexican Water Treaty is that we are saying that the Nation is asked to give us an expression of good faith, to say that someday maybe it will help assume this as a national obligation in the light of what was done to the seven States.

Certainly in every other section of the Nation, when we dam the Mississippi River, establish flood controls on the Ohio River, fix the harbor at Philadelphia, build the St. Lawrence Seaway, and build the Intercoastal Shipping Channel, in each and every one of those cases the Federal Government picks up the tab as a national obligation. The States are not required to pay that back, as has been done traditionally in the West.

Now in this one case, based on these two peculiar events, two peculiar occurrences, where our States ask the Federal Government to help them assume this one problem as a national obligation, then there are great cries of outrage, and these have included cries of outrage from the Pacific Northwest which has had hundreds of millions of dollars assumed as a national obligation to help in the resource development of that great area.

So, Mr. Chairman, I suggest in closing that this provision which has been so distorted around here in the last few days is a sound, sensible, just, fair provision; it does not cost anything, it does not authorize any money, it does not promise the authorization of any money, but it is a tentative statement of good faith. It ought to be approved by this House in this debate.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Colorado.

Mr. ASPINALL. Mr. Chairman, I thank the gentleman for yielding.

Just so that we all understand what the Budget Bureau had to say, here is the report—and I want to read it to the Members:

The Bureau does recognize, however, that one of the important demands on the river is to provide water necessary to meet commitments made by the U.S. Government to the Republic of Mexico in the treaty of 1944. Should the Congress decide that the situation is unique, we believe that the price guarantee should be further limited to not more than 1.5 million acre-feet of water annually, the amount required to meet the U.S. treaty obligation. With this proviso, the chances would appear minimal, based on Department of the Interior estimates, that any imported water would have to carry a price higher than main stream water—at least in the period through year 2030.

Is there any provision in this bill, I ask the gentleman from Arizona [Mr. UDALL], that the U.S. Government will be required to put up any funds later on, in accordance with the feasibility study, for more than the 1.5 million acre-feet of water annually, taking into consideration the losses which might be chargeable?

Mr. UDALL. No, indeed; the gentleman has stated the situation correctly.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. REINECKE].

Mr. REINECKE. Mr. Chairman, I thank the Congressman from Pennsylvania.

Mr. Chairman, I am here today in a little different role than I would have been last year or the year before, because I was violently opposed to this legislation for the past 2 or 3 years, and worked very diligently to eliminate all dams that were proposed to be constructed in the Grand Canyon.

I also have sponsored some significant changes which have been made in this legislation in the last 2 or 3 years, and I am happy and pleased to be able to stand here along with the rest of my colleagues from California, and the Pacific Southwest, to support this with a great deal of enthusiasm, and feel that what we are doing here is correct, reasonable, and feasible.

Specifically, I would like to talk about the proposed investigation. I want to get at what is really involved in such an investigation. We are doing it every day in almost every conceivable area of our Government that we have today. We are investigating water. We are investigating air pollution. We are investigating mass transit problems and everything we do today—sometimes we say we are studying the problems to death—and occasionally I think we do.

Nonetheless we cannot proceed in a reasoned and responsible manner unless we know and have the facts before us so we can come to a reasonable conclusion.

The studies we are talking about are not specifically directed to importation, as I believe you have been led to believe. The studies we are talking about here is what are we going to do about the problem of water in the Southwest.

There are several sources of water that will be investigated very thoroughly be-

fore we ever come to the position of suggesting that we are going to propose importation. I know for a fact, because I made a study myself, that importation is the most costly method that will come about and I seriously doubt we will ever have a feasible project by importation from the Northwest.

What we have to do is to start by reviewing our needs and what will our needs be by the year 2000 or 2030, taking into consideration the increased per capita use of water and the increased industrial activity in the Southwest and the increase in population. We simply make the projection as to what our needs and requirements are going to be. Then we look at our resources and find out what our resources are and what the projection is to be and what we can do about conserving some of our resources that are already developed.

Finally, we arrive at a conclusion, be it a deficit or a surplus—that is what we must deal with. That is the first step.

The second step is to find out what we can do about solving the problem. We know, indeed, it affects our area and we have known it long. We must face the problem. The fact that it is regional does not make it any the less a Federal obligation because of that regional aspect.

Certainly, we must legislate and deal with it here. Simply because it affects one region far greater than another region, I do not think we can put it aside.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. REINECKE. I yield to the gentleman.

Mr. FOLEY. Is it not true that there has never been any objection in the committee in any of the previous considerations of this bill to the investigation and the studies that would be directed to meeting the water needs of the Southwest specifically those reconnaissance studies that are contained in section 201(a)2 of the bill.

Mr. REINECKE. I am sorry I did not hear the gentleman; would he repeat his question?

Mr. FOLEY. I refer to the reconnaissance studies authorized in this legislation. There has never been any objection to these studies; is that correct?

Mr. REINECKE. Yes, it is.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. REINECKE. I yield to the gentleman.

Mr. ASPINALL. Is it not true, may I ask the gentleman from Washington [Mr. FOLEY] that you offered an amendment in committee to strike all of section 2? I think that shows there was objection.

Mr. FOLEY. I think the record will also show, if the gentleman will yield further, that there is no need, and I think the chairman will verify this, that there is no need for an authorization for reconnaissance studies and the Secretary of the Interior presently has authority to conduct any reconnaissance studies, and conduct them subject only to appropriations; is that not correct?

Mr. REINECKE. The Secretary has authority to conduct reconnaissance studies but in this case he had to go further be-

cause it is a regional matter and because there are secondary problems involved.

One of the principal sources I think that we will look to for new water is not importation, as the Northwest seems to think, but is weather modification. This is where the most dramatic changes have been made. It is indicated that upwards of a 20-percent increase in precipitation has been effected on the west side of the Continental Divide.

This is the place we can do it, because there is no construction to be accomplished other than the necessary seeding or the necessary nucleation of the clouds in the air. This, to me, is one of the most reasonable, one of the most practical, and one of the most probable methods.

Second is the area of desalting. We all thought that desalting was going to develop economically until a few weeks ago when we were advised of new figures on the Bolsa Island plant. Now we are a little disillusioned. Nevertheless, this is another method that will be given serious consideration. Some States have already been making studies in that regard.

Another area—just to prove that this is not the case of the basin trying to raid the water of another basin—we have a reconnaissance study going forward at the present time in respect to bringing some water from northern California down to southern California as a means of solving this problem. We are not just looking to the Northwest. We are not taking a dog-in-the-manger attitude, that that is the only place we can go for water. But I think it is reasonable for all of us to assume that we must look at all possible sources in order properly to effect a solution of this problem.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. REINECKE. I yield to the gentleman from California.

Mr. HOSMER. Is not the State of California satisfied with the provisions for protecting the origin if that origin happens to be California itself?

Mr. REINECKE. Yes. In fact, I was just about to come to the protection that is offered to areas of origin. Some people believe we are trying to take what is their water. That is not the case. The bill specifically includes a provision whereby the Secretary of the Interior could not recommend an importation program unless he has the approval of the States to be affected. In other words, the Governors of those States would have a veto power over any such recommendation.

Likewise, no State affected would be affected adversely from a price point of view because, again written in the bill, is a provision which would guarantee the States of origin a firm, fixed price equal to or less than what they are paying at the present time. So even if it is necessary to get water from some other area, the area of origin would not be affected adversely on the price of water.

Likewise, they are given rights in perpetuity to their title of the water and the provision I just mentioned will last for that length of time.

Finally, before water can be taken away, the Interior Department would have to make a survey in those areas to

be sure that there is a surplus amount of water.

A few years ago, when the Northwest was fighting this particular proposal, they were saying, "We want a study of our own." In years gone by they have studied the problem, and by 1971 those studies will be completed. The reconnaissance study called for in this bill is not due until 1973. So there is an overlapping of 2 years. Finally, the feasibility study which the gentleman from Washington refers to is not due until 2 years after that, 1975, so it is obvious that the States of origin in the Northwest that are opposing this particular measure will have had 4 full years to decide what they want to do, to decide what their position is with respect to their surpluses of water before they have to come to a decision.

I might also say that the Columbia River, which is the river to which they are referring, has traditionally emptied on the order of 100 million acre-feet of water into the Pacific Ocean every year for as long as we have figures available. Many years it has gone over, some years it has gone under. But 100 million acre-feet a year is a pretty good average. We are looking for only 2½ million acre-feet.

I wish also to point out that while our friends in the Northwest sell their power to the Southwest and take the proceeds from that sale, for some reason they do not want to sell the water, which creates that power, to the Southwest at this time.

I wish to make a few comments about the thermo plant that is to be constructed in northern Arizona, according to the direction in the bill. As you probably realize, the dams in the Grand Canyon were placed there for the purpose of generating pumping power to pump the water from the river to the Phoenix and Tucson areas. Likewise, we still need the power because we are still pumping a large amount of water.

Now, instead of putting hydroelectric dams in the Grand Canyon, we are proposing a thermo plant, I am happy to say, which would burn coal—I point that out to the gentleman from Pennsylvania again—and this in turn, I think, will produce a very effective low-cost base-load powerplant.

Very simply, then, I will briefly restate the matter. This powerplant that is being proposed would not be built, owned, or operated by Federal entities. They are all non-Federal, private, public utilities, and there would be no Federal involvement in this other than the fact that there is a prepayment of power purchased for pumping.

This prepayment amounts to a loan, which will be paid back 100 percent, including interest at the going rate of, I believe, 3¼ percent at the present time.

The capacity is 470 megawatts of power that are required, and if private facilities who decide to go ahead with this plant want to build it larger, they can, and that power is for them to use in any way they want to.

Again I indicate, all that money is being returned to the Treasury of the United States. This is a loan and prepayment of capacity which will be taken

out later. The water for this plant does not represent any new withdrawal, any new claims on this river. This is part of Arizona's entitlement and will be charged to Arizona.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. REINECKE. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, last year, when we considered this last, or another version of this bill, it contained a feasibility plan for 8 million acre-feet. Is that correct?

Mr. REINECKE. It was 8½ million acre-feet, I believe.

Mr. FOLEY. Did not the gentleman in the well, a mechanical engineer, calculate for the benefit of the Interior Committee how much it would cost to divert that amount of water from below Bonneville Dam in the McNary pool.

Mr. REINECKE. That is correct.

Mr. FOLEY. Would the gentleman mind telling this Committee how much he calculated?

Mr. REINECKE. Not at all. It was 7.48 billion.

Mr. FOLEY. Did the gentleman calculate the amount of power that would be required to make, as I believe it was, a dead lift of 7,000 feet?

Mr. REINECKE. The lift was about 7,000 feet. I do not recall what the amount of the power requirement was. It was very substantial. I opposed the bill.

Mr. FOLEY. Was it something like three times the output of the Grand Coulee Dam?

Mr. REINECKE. Something on that order; yes.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. REINECKE. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, is it the purpose of the studies contemplated by the bill to clear away this fuzz of hazy estimates, which I am sure the gentleman himself realizes had to be made, and to come up with something that has a price tag on it and specifications on it that are meaningful to the Congress who will be looking at it rationally, instead of hollering about speculative sums of money that are totally meaningless? As I said before, such talk is calculated only for the purpose of frightening people.

Mr. REINECKE. It was about 8½ million acre-feet, and it is down to 2½ million acre-feet in this bill. It is no longer a feasibility study, but is a reconnaissance; but there is to be a follow-on study, so we can contemplate the project at some future time.

Mr. PETTIS. Mr. Chairman, will the gentleman yield?

Mr. REINECKE. I yield to the gentleman from California.

Mr. PETTIS. Mr. Chairman, California's stake in the Colorado River depends on passage of H.R. 3300. This is a "peace" bill and if it does not become law, the past history of Colorado River conflict and litigation will not only continue but probably intensify. This is a harsh fact of life in California's 33rd Congressional District. San Bernardino County borders the Colorado River for many miles and the thousands of people who live in this

part of California and who depend on that river for their water supplies see in this legislation the long-sought solution of the seemingly endless bickering.

The present and anticipated water supply situation in the Colorado River Basin shows that a water deficiency already exists in the lower basin of the Colorado River and that, as this imbalance between requirements and availability continues to grow, the water situation throughout the entire basin will become more critical. There is no reasonable chance that the Colorado River will supply enough water to meet the demands of the area which relies upon it. The water supply situation, combined with the fact that there is insufficient water in the Colorado River to furnish the amounts specified in compacts, contracts, the Mexican Water Treaty, and the Supreme Court decree in Arizona against California, means continued controversy unless there is augmentation of the water supplies available from the river. There can be no lasting solution to the water problems and disputes of the States of the Colorado River Basin without the addition of more water.

How the river should be augmented cannot be answered with confidence until the studies of all alternatives called for in the legislation have been completed. Experience has shown that 15 to 25 years are required to plan, authorize, design, and construct a major water project. Hence, studies of alternative means of augmenting the Colorado River should be initiated immediately if the future growth and economy of the Colorado River Basin and the Pacific Southwest is to be assured and decisions concerning augmentation are to be made with full knowledge of all alternatives. Considering the potential leadtime needed to develop some of the alternatives, deferral of the studies could result in decisions under accelerated conditions rather than on the basis of orderly procedures. All of the studies and investigations taken together are directed toward development of a regional water plan to serve as the framework for coordinated, future development throughout the entire Colorado River Basin.

The most pressing need is for an amount of new water necessary in order to satisfy the Mexican treaty water requirements and the annual consumptive use of 7.5 million acre-feet in the States of Arizona, California, and Nevada. This amount has been estimated by water experts to be between 2 and 2.5 million acre-feet.

It is this pressing need which is the basis for the provision in this legislation calling for preparation of a feasibility report on the most economic means of augmenting the water supply of the Colorado River.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Florida [Mr. HALEY].

(Mr. HALEY asked and was given permission to revise and extend his remarks).

Mr. HALEY. Mr. Chairman, one of my first observations, when this matter was under consideration in the Committee on the Interior, was that I just came over

here to find out who was stealing from whom. I thought at that time probably each one of the two basins was stealing from the other, but I sadly came to the conclusion that what this bill will do will be to steal from all the people of the United States.

This river is overcommitted, and it was well known that it was overcommitted many, many years ago. They talk about 2½ million acre-feet. This river is overcommitted 3½ million acre-feet right now. I can tell why. It is because the upper basin is entitled to 7½ million acre-feet, and the lower basin is entitled to 7½ million acre-feet, and the Mexican Treaty, which takes precedence—first place—over both these basins is for 1½ million acre-feet. That is 16½ million acre-feet.

The only records—and I think the best records we have—as to the flow of the river are in the table which appears on page 697 of the hearings, and here are the figures. From 1931 to 1967 the average flow of the river was 12,990 million acre-feet of water.

So I say, Mr. Chairman, that the Mexican Water Treaty is an obligation of the river and not of the people generally throughout the United States. The Secretary of the Interior, in response to a question, said "Yes," that was a prior right.

As I say, who is stealing from whom? I do not know where you are going to get this amount of water. You need 3½ million acre-feet. If you are going to get water from some other place, you might as well get sufficient. I would say probably 8½ million acre-feet is what is eventually going to be required for economic growth, if it continues in the southwestern part of the United States.

So let us not figure here on getting just a little bit of water. It is going to cost a lot of money. There is only one place that amount of water is available, and that is from the Columbia River.

What will be the cost? Who knows? If we try to bring that water into this basin, it is going to cost billions and billions of dollars.

We have been talking about the commitments and the authorizations we have now, and trying to reduce them, to get this Nation back to some fiscal sanity, since we have been running just as wild as we could for the past 20 or 25 years.

How can Members go back to their people and say, "Yes, we gave them a blank check here. We do not know what it is going to cost. We know it is going to be a terrific cost to bring about what is necessary to alleviate the arid, dry conditions that are in that part of the country."

Mr. Chairman, my good friend from Pennsylvania, next to the chairman, probably, or perhaps equally with him, is one of the most knowledgeable men in the Congress on water resources, I say, along with him, the best thing to do, first, if we are not going to do anything else, is to eliminate this obligation of all the people of the United States to take care of the so-called Mexican treaty.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. SAYLOR. Mr. Chairman, I yield the gentleman 2 additional minutes.

Will the gentleman yield to me?

Mr. HALEY. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Mr. Chairman, I want to commend our colleague from Florida for his statement and thank him for the kind remarks he just made. I ask him if he recalls that during the 89th Congress, when a similar bill was being discussed, the committee included at that time the Southwestern part of the United States, and we had in that bill, if my memory serves me correctly, 7½ million acre-feet for Texas and 7½ million acre-feet for Kansas.

One of the true improvements in the legislation this year has been the exclusion of the State of Texas from the investigation and study provisions. Despite the efforts of our colleague, the gentleman from Texas [Mr. PRICE], to include the State of Texas, in the legislation again this year. I commend our colleague for his knowledge and understanding on this problem. In turn, I want to assure Mr. PRICE of my understanding of the problems of west Texas and offer him my cooperation in his future efforts to alleviate the water shortage in his area.

Mr. HALEY. The gentleman is absolutely correct.

Getting back to the Mexican treaty for just a minute, that treaty calls for water out of this basin, not out of the Missouri and not out of the Mississippi and not out of any other river. It is an obligation of the river and should be supplied from there.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from California.

Mr. HOSMER. I realize that the gentleman is concerned about the cost which might be incurred for the import work, but will the gentleman not agree with me that the works are no part of this bill? The only thing this bill does is to invite some studies so that we can find out what kind of a problem we do indeed have.

Mr. HALEY. I will say this to the gentleman: You know what your problem is. The State of California at this moment is using 5.1 million acre-feet of water and is entitled under the compact to 4.4 million acre-feet of water.

Someone said—and I forget just who—a little while ago, "Oh, yes. We will turn that water back when it's needed." I cannot visualize California returning 1 gallon of water. You will need more water. So whenever you come here and say, "We will take care of that shortage when it comes along," I do not believe you will do it.

Mr. HOSMER. If that were true, California would be against building the central Arizona project. We lose by it over 700,000 acre-feet of water annually, yet we are strongly supporting the bill. We feel we have to live and let live in our area.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. WYATT].

(Mr. WYATT asked and was given permission to revise and extend his remarks.)

Mr. WYATT. Mr. Chairman, the bill we are debating today is merely an authorization bill, but it is so complex, so involved that each Member should pause and make absolutely certain he knows exactly what is contained in the bill.

We in the Northwest have repeatedly expressed our support for the central Arizona project. We support the five reclamation projects in Colorado. We cannot, however, support title II of the present bill, nor can we support the bill if title II remains in the bill.

This bill contains far more than the central Arizona project. Besides authorizing approximately \$1.3 billion of new construction, the title II provisions authorize the first steps toward a gigantic interbasin transfer which could cost billions and billions of dollars. Most important of all is that the so-called Mexican Water Treaty obligation would be made a national obligation. This is the cash register for interbasin transfer, all at the Federal taxpayers' expense, rather than that of the water user.

The fallacy in making the Mexican Water Treaty a national obligation is that the Republic of Mexico, as a lower river water user, always has had certain vested rights to Colorado River water, which could not be cut off by upriver users. It is very clear from the testimony of State Department personnel witnesses who participated in the negotiation of the Mexican Water Treaty, that all Mexico received in the treaty was confirmation and ratification of the amount of water to which she was already legally entitled. This being the case, it is impossible to justify the theory that all the taxpayers in the United States should share in replacing this water going to Mexico.

If this theory is consistently applied in other areas of national concern, this country would be soon bankrupt.

All of title II should be stricken from the bill, especially that portion attempting to load onto Federal taxpayers the huge costs of replacing the Mexican Water Treaty obligations.

Title II is not contained in the Senate version of this bill, and is a costly add-on to the \$1.3 billion specifically authorized. The additions could easily total many billions of dollars.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from Utah [Mr. BURTON].

(Mr. BURTON of Utah asked and was given permission to revise and extend his remarks.)

Mr. BURTON of Utah. Mr. Chairman, I know one of the things that bothers some of our friends here in the Chamber is the fact that this is an authorization bill authorizing nearly \$1.3 billion. However, I need not explain to our friends here the difference between an authorization bill and an appropriation bill. Following the remarks of my good friend from Florida [Mr. HALEY], I think he and others would be interested to know that previous Congresses have indicated even during unhappy times, times of deficit, war, and misfortune, and in the

direst of straits, they have indicated a confidence in planning for the future and that happy times would return and we could get on with the business of building our Nation. I have a list of projects authorized for and by the Bureau of Reclamation during the period of the Korean war, beginning in 1951 and ending in 1953. That list is as follows:

ANNUAL AUTHORIZATIONS FOR RECLAMATION PROJECT CONSTRUCTION DURING KOREAN CONFLICT—FISCAL YEARS 1951-53—PROJECT AND STATE

1951

Canadian River: Texas.
Central Valley, Sacramento Canals: California.
Eklutna: Alaska.
Kendrick, Alcova Powerplant: Wyoming.
Minidoka: American Falls Power Division: Idaho; North Side Pumping Division: Idaho.
Palisades (reauthorized): Idaho.
Vermejo: New Mexico.

1952

Provo River, Deer Creek powerplant: Utah.

1953

Central Valley, Trinity River Division: California.
Central Valley, Sacramento Canals (Pursuant to Act of Sept. 26, 1950): California.
Collbran: Colorado.
Grants Pass, Savage Rapids Dam: Oregon.
Provo River, Deer Creek powerplant: Utah.

During World War II, from 1942 until 1945, these were the projects that were authorized for the Bureau of Reclamation:

1942

Mann Creek, WCU (not built): Idaho.
Palisades (reauthorized, 1951): Idaho.
Palisades (reauthorized, 1951): Idaho.
Rapid Valley, Deerfield Dam, WCU: South Dakota.

1943

Buford-Trenton, enlargement, WCU: North Dakota.
Columbia Basin—Project Act: Washington.
Scofield, WCU: Utah.

1944

Balmorhea, WCU: Texas.
Bitterroot Valley, Woodside Unit, WCU, (not built): Montana.
Buffalo Rapids, 2d Div., WCU complete: Montana.
Colorado River Front Work, Palo Verde weir: California.
Hungary Horse: Montana.
Milk River, Dodson Pumping, WCU: Montana.
Missoula Valley, WCU: Montana.
Newton, WCU (completion): Utah.
Rapid Valley, Deerfield Unit, WCU (completion): South Dakota.
Rathdrum Prairie, Post Falls, WCU: Idaho.

1945

Mancos, Expansion, WCU: Colorado.
Mirage Flats, UCU (completion): Nebraska.
Rathdrum Prairie, Post Falls, WCU (USDA): Idaho.
Shoshone, Heart Mountain Powerplant: Wyoming.

You will note that all of these projects that I listed cover the Western Reclamation States, but the West was not the only beneficiary of projects and authorizations during periods of war. Our sister States in the East benefited under flood control projects that were authorized in World War II. For example, an authorization in 1942 which became Public Law 77-228 authorized 60 projects by the Corps of Engineers at a cost of \$275 million in 26 States ranging from Florida to Washington State.

Mr. Chairman, in 1945, the chairman of the full Committee on Interior and Insular Affairs [Mr. ASPINALL] alluded briefly to the fact that the Congress, in its wisdom, enacted a public law authorizing 48 projects, costing \$993 million in 30 States, ranging from Arizona to Pennsylvania, as well as in the same year authorized 293 navigational and flood control projects in 32 States and three Territories, ranging from Puerto Rico to Hawaii.

Now, Mr. Chairman, I would like to say that I agree with the remarks which were made by the gentleman from California [Mr. HOSMER] when he alluded to the fact that this was not a big boondoggle; as a matter of fact it is a very delicate, fragile compromise that has been worked out over a long period of years between the seven States involved. These seven States represent about one-fourth of the total land area of the United States; they have congressional delegations, as follows: One from Wyoming, there are 38 from California, there are three from Arizona, there are two from Utah, two from New Mexico, four from Colorado, and one from Nevada.

Mr. Chairman, this represents a total of 51 Members of the House of Representatives. To my personal knowledge 50 of these 51 Representatives of these seven States are in agreement with this project.

Mr. Chairman, I say to the members of the Committee of the Whole House on the State of the Union, that when you can get 50 out of 51 Members of the House of Representatives, having them coming from the varying geographic and economic interest areas which we all represent, and having them representing both parties and having them come into the well of the House and say 50 of the 51 of us are in support of this bill, I think that represents a rather formidable combination and a rather unusual situation.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Utah. I yield to the gentleman from Arizona.

Mr. UDALL. Has the gentleman ever heard of any other piece of legislation where you could have the support of such Members as the gentleman in the well, such as the distinguished gentleman from California [Mr. HOLIFIELD], such as the distinguished gentleman from Arizona, the gentleman from California [Mr. UTTL], representing such a wide range of statesmen who have been found to come together on other issues?

Mr. BURTON of Utah. The gentleman from Arizona has enlarged upon my point and I thank my colleague for his remarks.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Utah. I yield to the gentleman from Washington.

Mr. FOLEY. Will the gentleman be similarly impressed with the fact that all members of the northwestern delegations, Republicans and Democrats alike, are in opposition to the bill in its present form?

Mr. BURTON of Utah. I am not impressed with that point at all.

Mr. ASPINALL. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. FOLEY].

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. Mr. Chairman, about 2 years ago I was the happy beneficiary of an invitation by our two distinguished colleagues, from Arizona [Mr. UDALL and Mr. RHODES] to fly down to Arizona and view the proposed central Arizona project with them. By accepting that invitation I was able to see the area which was to be irrigated and to hear their compelling arguments on the need and right of Arizona to its share of the Colorado River. At that time I announced publicly to the press and other news media that I considered myself one of the strongest supporters of the central Arizona project in the House of Representatives, because I was for it absolutely without conditions. I was for it without the 4.4 million acre-feet guarantee to California; I was for it without feasibility studies of 2½ million acre-feet of augmentation water. I was for it without the assumption of the Mexican Water Treaty; I was for it without all of the encumbrances, reservations, conditions, and addenda which has been attached like leeches or barnacles to this long-suffering project. I want to give Mr. RHODES and Mr. UDALL what they have the right to have—the central Arizona project.

I am even willing to support the other projects in the State of Colorado and the Dixie project in Utah; but I cannot support the provisions of this bill which are unnecessary to the central Arizona project and cannot be otherwise justified; namely, the assumption of the Mexican Water Treaty burden as a national obligation and the authorization in advance of a reconnaissance study or a feasibility study for augmentation of the Colorado River by 2½ million acre-feet.

We are told that these two provisions and many others are part of a delicate compromise between the seven Basin States.

We are in effect invited not to tamper with the agreement because it is a solemn agreement of these seven States. I believe that is a perfectly appropriate suggestion if you happen to be from one of those seven States; indeed, if you are from any of the Colorado River States I suggest to you that it is probably in your political interest not to tamper with the agreement, but on the other hand if you are from some other State I believe you would do very well to consider how your constituents and your State interests might suffer if these two provisions are left in the bill.

Let me underline the point that we do not need to pass these extra provisions of this bill in order to give Arizona all it is entitled to have. Many Members received a letter from the distinguished senior Member of the other body inviting support of this legislation. In his next-to-last paragraph that distinguished representative of Arizona said:

While this bill—

That is, the House bill—

differs in some respects from the Senate bill 1004, either would authorize construction of an aqueduct from the Colorado River to bring water to Arizona.

Senator HAYDEN has, in effect, said that the Senate bill accomplishes the purposes for which Arizona has fought so many years. The Senate bill does not contain either the assumption of the Mexican Water Treaty or feasibility studies of augmenting the Colorado River by 2.5 million acre-feet. It is a clean bill. That distinguished gentleman sponsored S. 1004 in the other body. I do not believe anyone in this body would compromise or question his sincerity or dedication to the interests of Arizona. And he has assured every one of us that the passage of a bill such as S. 1004 would fully serve the interests of Arizona.

These other provisions of H.R. 3300 are not for Arizona. They are for other States, and they include what I do consider to be an exceptional, most unusual—if I might put it in the words of the gentleman from Arizona—"outrageous" provision to make the assumption of the Mexican Water Treaty a national obligation.

Let us just consider for a moment what the Budget Bureau did say. It did not endorse the assumption of the Mexican Water Treaty, nor has any recommendation from this administration or any previous administration ever endorsed the assumption of the Mexican Water Treaty. It said that the Mexican Water Treaty assumption was not objectionable to the Bureau of the Budget if two things were accomplished: First of all, if the Congress felt there were unique circumstances justifying the assumption by the Nation of the water burdens of the treaty. I repeat—unique. And secondly, if the Congress limited the price guarantee to 1.5 million acre-feet. Obviously the Bureau of the Budget is deeply concerned about the prospective costs of this program as well they should be.

What is the section of this bill which assumes the burden of the Mexican Water Treaty obligation? Members have said it is nothing. The gentleman from Arizona said "Take out your pencil and write this down." I took out my pencil and I wrote it down. He said, "It is nothing. It is not a promise, it is not a guarantee, it is nothing, it is just a simple, little sense-of-Congress resolution."

Now, Mr. Chairman, I look around this room and I do not see anybody who I consider less than a knowledgeable and a clear-headed Member of the House. Simple, little sense-of-Congress resolutions—the gentleman said—simple, little sense-of-Congress resolutions are as dangerous as delayed action bombs. They are designed to be. They do not blow up in your face today. They tick quietly away for a few years until someone is ready to hit the detonator.

I prophesy to those who are in this House today, and who will be in the House at that time, that 3 or 4 years from now they are going to be asked for 4 or 5 or more billions of dollars to justify a project to which we never thought we were committing ourselves when we passed this simple, little sense-of-Con-

gress resolution. And tomorrow, I hope, when we have a motion or an amendment on the floor to take out this simple, little, sense-of-Congress resolution, we may save ourselves and other colleagues some real future grief.

If we should give—and I use the verb advisedly—to the Colorado River Basin a nonreimbursable project of augmentation of a million and a half acre-feet, why is it necessary to do it now before we know the cost in billions of dollars? Let us do what we ought to do in simple, businesslike responsibility. Wait until the studies have been completed, until the cost estimates have been prepared; wait until we know where the water is coming from, where it is going, how it is going, what method of delivery will be used, and how much it is going to cost—especially how much it will cost. Is that not a simple, basic, businesslike option for this House to undertake? Why should we act now if this section is not essential to this bill; if it is just a little, simple, sense-of-Congress resolution, as the gentleman says? Why do they object to taking it out? If it does not do anything or promise anything, if it does not lay the groundwork for anything, then it does not serve any purpose, does it? Does it? I leave it to your judgment.

I want to speak now about the feasibility study to augment the Colorado River by 2½ million acre-feet. In 1965 Congress passed the Federal Water Project Recreation Act. Section 8 provides as follows:

Effective on and after July 1, 1966, neither the Secretary of the Interior nor any bureau nor any person acting under his authority shall engage in the preparation of any feasibility report under reclamation law with respect to any water resource project unless the preparation of such feasibility report has been specifically authorized by law, any other provision of law to the contrary notwithstanding. Public Law 89-72. July 9, 1965.

Today we are asked to authorize such a feasibility study for the costly augmentation of water to the Colorado River before the preliminary reconnaissance studies have been completed—indeed, for they have been taken.

Why are we asked to that? I suggest the purpose of this unconventional provision is to remove the possible objections which some Members might make to such a feasibility study if they have the reconnaissance study conclusions before them.

We can change this inverse order of studies without delaying proper investigation because, as the reconnaissance studies have to start first anyway, and the Secretary of the Interior has full power to undertake any reconnaissance studies he can fund.

Besides the improper sequence, the section gives only one direction to the Secretary. The Secretary is given authority to study the most economical means—in his judgment the most economical means—of augmenting the river by 2½ million acre-feet. He can study any source and any means.

I would suggest to my friends from the Missouri Basin that there is nothing in this section to prevent the investigation of the feasibility of bringing the water from the Missouri Basin if the

Secretary decides that should be done. We do not give him any of the customary directions or limitations for his guidance. As in the water treaty section the drafters obviously considered vagueness as a virtue and uncertainty a goal.

The whole thing is a blank check—not only a blank check for the Mexican Water Treaty obligation, but a blank check for the feasibility studies.

If these two sections can be removed from the bill, I will support the bill. The central Arizona project should be built. Arizona deserves it. They have fought for it for a generation and their fight has been a good fight.

But these other provisions have nothing to do with the central Arizona project. They endanger its ultimate success.

The prospective costs of the Mexican Treaty obligation and the feasibility study, if either results in the construction of works to bring water by surface diversions, is many, many times the total authorization cost of \$1.3 billion that is directly provided by this bill. The sum of \$1.3 billion is a lot of money to authorize this year as we all look a tax increase and massive budget cut full in the face. Surely we should identify and reject subtle provisions which are very likely to commit us to many, many billions more.

Mr. Chairman, I plead with the Committee to look at this bill calmly and unemotionally and judge this matter not on the basis of what seven States have agreed suits their present convenience but on the broader basis of what is reasonable and sensible for the entire Nation and for the Members of this House who represent the other 41 States which will get no benefits from this bill but which will bear the cost.

(Mr. LIPSCOMB (at the request of Mr. RHODES of Arizona) was granted permission to extend his remarks at this point in the RECORD.)

Mr. LIPSCOMB. Mr. Chairman, H.R. 3300 represents a long and welcomed step forward. Its enactment will permit a controlled continuation of the Colorado River's development and set the stage for an equitable solution of the river's basic water supply problems.

Those interested in the development of the Colorado River Basin have spent years shaping and molding this legislation into its present form, so that it might provide the optimum net benefit for each area, a balancing of interests.

California will obtain recognition of its vast investment in existing Colorado River water facilities through protection of 4.4 million acre-feet of its present annual Colorado River water supply of 5.2 million acre-feet. Arizona will, of course, obtain authorization for the central Arizona project, a project which she has sought for generations, and which will permit the future development of that State.

Colorado will obtain authorization of five smaller projects needed by its growing economy. Utah will obtain authorization of a similarly needed project and assistance on a previously authorized project. New Mexico will directly and substantially participate in the benefits of the central Arizona project. Wyoming and the other States of the Upper Colorado River Basin will obtain important

provisions for controlling the operation of the two great reservoirs on the river, Lakes Powell and Mead.

All of the Colorado River States will benefit from the bill's authorization of realistic studies for augmenting the Colorado River's water supply, and from its realistic framework for actually obtaining that augmentation. Conversely, States with surplus water supplies will obtain valuable area of origin protection as well as veto protection against water export projects. Conservationists will obtain protection against new Colorado River dams, as well as provisions for the development of fish, wildlife, and recreational facilities in each of the projects authorized by the bill.

It is generally known that reclamation projects earn income which repays almost all of their cost. This bill has such a provision. The expert and careful work of the Interior Committee under the leadership of Chairman WAYNE ASPINALL, of Colorado, has come up with a workable and fair proposal.

This bill protects existing economies of the areas involved. It makes possible new development. It is financially sound. It will require relatively small appropriations to start and will not need major investment until our improving circumstances make such funds available. It accumulates earnings even after meeting repayment obligations so that funds to help finance future progress will be on hand when the time comes to take another step forward.

H.R. 3300 is truly a representative bill that will benefit California as well as all the Colorado River Basin States and the entire Nation, by changing a future of strife and continuing litigation to one of harmony and mutual development.

I recommend the Colorado River project bill to you as worthy of your favorable vote.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from Arizona [Mr. RHODES].

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Chairman, if I might I would like to have the attention of my good colleague, the gentleman from Arizona [Mr. UDALL] for a question.

On page 68 of the bill, my colleague will recall that certain mention is made of the so-called Gila decree—Globe Equity No. 59—with regard to the division of waters of the Gila River.

Is it the impression of my friend, the gentleman from Arizona, that the mention of this decree in this bill, as it is mentioned, does not in any way change the existing rights of any individual or of any group of individuals as to the waters of the Gila River?

Mr. UDALL. I will say that both of us have been involved over the last several years in putting together the very complex provisions of this bill. The particular language that the gentleman refers to has been of some concern to one of the Indian Tribes located along Gila River.

I can state flatly and specifically that it has always been our intention in drafting these provisions, that we were not

changing the rights of those Indians or the rights that were fixed by the Gila decree in any way. I question that Congress would have the power in any way to change the terms of the Gila decree, determined by a Federal court, which determine water-user rights along the river. I wish to make that clear, so there is no misapprehension on the part of anyone.

Mr. RHODES of Arizona. I agree with the gentleman. I doubt that Congress would have any right to do that. I ask him further whether it is his understanding that passage of this bill as now written would not change the rights of any person who is a party to, or might later become party to this matter, and who disagrees with any part of the Gila decree to apply to a court for a modification of that decree, or some part of it.

Mr. UDALL. As a practicing Arizona lawyer, as a member of the committee, and as one who helped to put these provisions together, I would fully agree with what the gentleman has said.

Mr. RHODES of Arizona. The gentleman qualifies as an expert.

Mr. Chairman, I cannot help but wonder why there are so many people who are afraid of a study. There is nothing in this bill insofar as water augmentation is concerned other than a provision that the Secretary of the Interior may enter into a study for the purpose of determining three things: First, water needs; second, water supply of given areas, and third, to bring in recommendations, if indeed shortages are found in the Colorado Basin, as to the best means of alleviating those shortages.

There is nothing in this bill—and it has never been alleged otherwise by anyone that I know of—which would authorize any project whatsoever to be built to augment the water supply or to alleviate the shortages of the Colorado Basin or anywhere else. There is nothing in here which calls for the spending of money for any project, for construction, or for anything other than a study.

So, I repeat, what is the trouble with people who are afraid of a study? There is certainly no assurance that the Secretary of the Interior will recommend the importation of fresh water from any other basin into the Colorado Basin. If his study determines a shortage exists, he may recommend augmentation by desalinization, by water salvage, by weather modification, or by some means other than importation. He has many alternatives.

For instance, my good friend from California [Mr. HOSMER] and I have been collaborating on a project which we hope the Atomic Energy Commission will take up at some time in the future. This would be like Project Gas Buggy in many ways, in that there would be a nuclear detonation which would fracture the rock strata under the surface of the ground. The hope would be that the fracture would occur in such an area that water would come of the watersheds, and go into the underground, where it would be stored for human use. We think this is a possibility as a means of augmenting water supply.

So why do our friends from the Northwest assume that any water study is

going to be pointed at the Columbia River? That is not my intention. It is not the intention of the other people who have had anything to do with this legislation. It is our intention, however, to do what we can to alleviate the water shortages which we have in this basin. The shortages are real.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Washington.

Mr. FOLEY. I think the gentleman might point out that Members from the Pacific Northwest not only approved and supported, but several of us sponsored legislation for the National Water Commission, which would authorize specifically studies of interbasin transfer of water.

Mr. RHODES of Arizona. I am glad the gentleman brought that up, because the measure which would create the National Water Commission is languishing in the other body. I hope at the proper time the other body will bring it out. It is a good bill. I am for it and I want it to pass.

Mr. FOLEY. All we are concerned about is authority for a feasibility study before a reconnaissance study is made and is available for Congress.

Mr. RHODES of Arizona. Would the gentleman support title II if the feasibility study provision were taken out and only the reconnaissance study is left in?

Mr. FOLEY. Yes, indeed, I would enthusiastically.

Mr. RHODES of Arizona. I thank the gentleman for his contribution.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I think it might help for the Members now present on the floor to have something in the way of a comment from me, representing the northern coast of California, where we have approximately 40 percent of the entire water resources of the State of California. I can say there was a time when people from our congressional district had the same reservations the people of Oregon and Washington had about studying the water resources for export, as have been expressed. I can say most of our people have removed themselves from that particular position primarily because of the safeguards included in this legislation. The Eel River Association and the members of the various boards of supervisors of our counties are now encouraging the development of these valuable water resources, hopefully for the benefit of people.

Mr. RHODES of Arizona. Mr. Chairman, I thank the gentleman for his contribution. When the gentleman speaks of safeguards, I think it might be well to read a few. On page 50 of the bill, title II, section 201(a)(2), dealing with the provision allowing the Secretary of the Interior to investigate and to recommend sources and means of supplying additional water to the Colorado Basin, toward the end of that section there are these words included:

Provided, That the Secretary shall not, under the authority of this clause or any-

thing in this Act contained, make any recommendation for importing water into the Colorado River system from other river basins without the approval of those States which will be affected by such exportation, said approval to be obtained in a manner consistent with the procedure and criteria established by section 1 of the Flood Control Act of 1944 (58 Stat. 887)

So, Mr. Chairman, the Secretary cannot make any recommendation for any importation unless the State which will be affected actually has been consulted and agrees to it.

It has been said, and I think it is true, that 160 million acre-feet of water from the Columbia River flows into the Pacific Ocean every year. This is a lot of water. This is more than 10 times the average flow of the Colorado River. It is at least 20 times as much as even the wildest estimates of possible importations from the Columbia River.

I might ask my friend, the gentleman from Washington, if he wants to answer, how much water does the gentleman have to have flow into the ocean from the Columbia River before he feels secure?

Mr. FOLEY. Mr. Chairman, we do have a problem of adequate flows. While we do have very large flows in some years, there are other years in which the flow reaches under 50 million acre-feet. When it goes below that, there are threats to power generation and also to fisheries and navigation and water quality including pollution of the river from the atomic works at Hanford. We could not stand diversions of water in those low water years.

Mr. RHODES of Arizona. Mr. Chairman, may I answer the gentleman there? I refer the gentleman to section 203(a), which protects areas of origin. If we have a water shortage in an area of origin, then the exportation does not occur. There would be no water exported at all. The area of origin retains an absolute priority—forever.

Mr. FOLEY. May I answer the gentleman by saying that I addressed a question during the committee hearing to the distinguished Governor from Colorado, Governor Love, and I quoted that exact language to the Governor, and I asked the Governor if he would be satisfied to take those assurances on behalf of Colorado and the upper basin States, and he replied categorically "No."

I think the gentleman is asking a lot to ask us in the Northwest to take assurances the State of Colorado would not take.

Mr. RHODES of Arizona. Mr. Chairman, the gentleman knows full well that even the distinguished Governor of Colorado cannot make legislative history. We are making that here, today.

Mr. Chairman, the Mexican Water Treaty is, and should be a national obligation. It serves a national purpose, not just the purpose of the Colorado Basin. There are several precedents for the assumption of this responsibility by our National Government.

One precedent for assuming the Mexican Water Treaty as a national obligation insofar as the Colorado River is concerned may be found in connection with the Mexican Water Treaty as it applies to the Rio Grande. On the Rio

Grande, the obligations assumed by the United States with respect to the construction of the necessary control structures were national obligations.

Article V of the treaty provides for the construction and cost allocations by the two National Governments of the necessary agreed upon dams.

Article VI provides for further studies of other future construction that may be agreed upon by the two governments. Falcon and Armistad Dams were both built on the Rio Grande under the terms of the Mexican Water Treaty and were financed by the National Government.

As further evidence of congressional recognition of the national obligations in connection with the waters of the Rio Grande, under the Rio Grande Convention of 1906—Treaty Series 455 (34 Stat. 2953)—this treaty being the one which granted Mexico 60,000 acre-feet of water from the Elephant Butte Reservoir, by the act of March 4, 1907 (34 Stat. 1295) the United States appropriated \$1 million "toward the construction of a dam for storing and delivering 60,000 acre-feet annually in the bed of the Rio Grande at points where the headworks of the Acequia Madre now exists above the city of Juarez, Mexico." The treaty also provides that:

The said delivery shall be made without cost to Mexico, and the United States agrees to pay the whole cost of storing the said quantity of water to be delivered to Mexico, of conveying the same to the international line, of measuring the said water, and of delivering it in the river bed above the head of the Mexican Canal.

In 1933, the United States entered into the Rio Grande Convention—Treaty Series 864 (48 Stat. 1621). The purpose of this convention was to provide for rectification of the channel of the Rio Grande below Elephant Butte reservoir. In this convention, article III, the cost of the works was prorated between the two governments in the following percentages: United States 88 percent and Mexico 12 percent.

It is noteworthy that in the foregoing instances the States were not called upon to bear any share of the costs involved.

Additional material relevant to this general topic may be found on pages 43 to 53 inclusive of the Committee Report No. 1312 on H.R. 3300. Pages 50 and 51 are particularly in point. On page 51 there is mention of the Lake of the Woods Treaty, the Niagara Water Treaty and the Columbia Treaty all being treaties between the United States and Canada.

(Mr. STEIGER of Arizona (at the request of Mr. RHODES of Arizona) was granted permission to extend his remarks at this point in the RECORD.)

Mr. STEIGER of Arizona. Mr. Chairman, I would like to direct my remarks to the effects which H.R. 3300 will have upon the Indians in Arizona in the project area.

I have categorized the effects into three classes: First, the water rights of the Indians; second, the direct effects; and third, the indirect benefits to be derived.

First of all, nothing in the bill would affect adversely the present perfected rights of Indian reservations in waters of the mainstream of the Colorado River.

It would, however, enhance the position of some tribes.

The Supreme Court decree in Arizona against California set out these present perfected rights for the lower basin in article VI, thereof. The Court held that water sufficient to irrigate all the acreage practicable of irrigation on the reservations was reserved; that the United States had reserved such rights for the Indians; and further, that such rights are "present perfected rights" with priorities as of the dates the reservations were established. The Yumas, Fort Mojaves, Chemehuevis, Cocopahs, and Colorado River Tribes are entitled to divert 905,496 acre-feet or to irrigate 117,662 acres with water from the mainstream of the Colorado River. Section 301(b) and section 601 of H.R. 3300 maintain the efficacy of that decree.

There is no judicial determination as to the upper basin quantitative water rights. However, article XIX of the Upper Colorado River Basin Compact of 1948 states:

Nothing in this compact shall be construed as: (a) Affecting the obligation of the United States of America to Indian Tribes.

The Indian reservations in the upper basin are the Navajo, Jicarilla Apache, Southern Ute, Ute Mountain, Uintah, and the Uncompahgre. Section 601 of the bill provides, among other things, that nothing in the act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Upper Colorado Basin compact.

As for the tribes within the area of the project, section 304 provides that central Arizona project water will not be made available for the irrigation of lands unless the lands have recent irrigation history, as determined by the Secretary. The prohibition does not apply to Indian lands.

In the upper basin authorization, the specific provision is included that the planning report for the Ute Indian unit of the central Utah participating project shall be completed on or before December 31, 1974, to enable the United States of America to meet the commitments heretofore made to the Ute Indian Tribe of the Uintah and Ouray Indian Reservation under the September 20, 1965, agreement. Thus, all water rights of the Indians will be fully protected.

DIRECT EFFECTS

The direct effects upon Indians and tribes are as follows: First, construction of new irrigation systems and rehabilitation and lining of existing systems for the seven Indian reservations within the project area are included in the project.

Under the terms of section 402, all construction costs allocated to the irrigation of Indian lands are nonreimbursable to the extent that such costs exceed the ability of the Indians to pay. To the extent that such costs are within the ability of the Indians to repay the repayment of such costs is deferred for as long as the Indian lands are in Indian ownership.

Next, section 302 of the bill provides for the acquisition of the Indian lands that are needed for the Orme Dam and Reservoir, a structure in the distributions system of the central Arizona project.

The Indians will be paid fair market value for their property interests. The lands of the Salt River Pima-Maricopa Indian Community, Ariz., and the Fort McDowell-Apache Indian Community, Ariz., are affected.

In addition, the Secretary shall offer to pay up to \$500,000 for relocating or replacing the improvements thereon.

In addition, title to any land or easement acquired shall be subject to the use of the Indians, or its lease, for any purpose that is not inconsistent with the operation of the project. This means, for example, use for grazing when not under water, as well as for mineral rights, if any.

The Fort McDowell Indians will lose a substantial portion of their lands because of the dam and reservoir. Therefore, in addition to the compensation, the Department of Interior will add 2,500 acres of Federal land to the reservation so that an adequate land base will be maintained.

In addition, both of the Indian communities involved will have the right to develop and operate recreational facilities on the Federal lands along the shoreline of the Orme Reservoir that are on or adjacent to its reservations.

Finally, any funds received pursuant to this section and any per capita distribution thereof are exempt from State or Federal income taxes.

The White Mountain Apaches in the highlands of Arizona will benefit greatly through the "exchange" provisions of the bill. The San Carlos Apaches will also benefit from the "exchange" provisions because they are dependent upon higher elevation water supply.

The Pima-Maricopas of the Gila Indian Reservation will, at long last, be in a position to receive a badly needed supplemental water supply.

ANCILLARY BENEFITS

In addition to the direct benefits set forth herein, certain ancillary benefits will be derived by Indians with the passage of this bill.

Section 303(b) authorizes the project participation in entitlement to certain capacity of a thermal generating plant to be used for project pumping in connection with the Arizona project aqueduct. It is planned this plant be a large facility constructed by non-Federal interests located on the Navajo Indian Reservation using Navajo and Hopi coal with the revenues going to these tribes for both fuel and land use.

Mr. Chairman, from a comparative standpoint, when we talk in numbers of people in Arizona, I think it safe to say the Indian citizens of our State will benefit more percentagewise than any segment of our population.

I feel compelled to add at this point, however, that removal of the Bridge Canyon Dam and Reservoir from the plan has removed, at least for the present, an immediate chance for economic improvement of the Hualapai Indian Community. With the compromise to remove this Colorado River Dam from the project plan, the long-sought Hualapai enterprise disappeared. I regret this loss to the most deserving Hualapai Tribe. However, at the hearings the record was

amply made. This loss was recognized by the Secretary and is accordingly to be considered in the Department's future plans for the tribe.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. TUNNEY].

(Mr. TUNNEY asked and was given permission to revise and extend his remarks.)

Mr. TUNNEY. Mr. Chairman, first I would like to say, before I address myself to the investigations and studies, that in my opinion if it had not been for the wisdom and patience and legislative skill of the chairman of the full committee, this bill would not be before the House in the form that it can be accepted by the Members of Congress from the Southwest and by the Members of the Congress from all over the country. There were times in the last three and a half years I have served on the Committee on the Interior that the controversy was heated and some of the statements made were acerbic. I think it was due to the patience and foresight of the chairman that we were able to get a bill hammered together in final form that is acceptable.

I should like to address myself to the need for the studies and why it is these studies are in the bill to begin with.

The facts of the matter are very clear. We have a deficit right now in the lower basin of 1½ million acre-feet a year, and sometime between 1985 and 1995 there is going to be deficit in the basin of about 2½ million acre-feet. There is no question about this. In our hearings we had four volumes of testimony that made it very, very clear the critical period was going to be somewhere between 1985 and 1995.

If there is a need to have more water in this basin, obviously we must have studies of some kind before we can construct any projects to bring water in. This is as simple as ABC.

So it is a wonder to my why Members of Congress from the Northwest, from the State of Washington in particular, would talk about the cost, when they know very well unless we are going to tell the people in the Southwest they are going to have to change their way of life or they are going to have to move out of the area we will have to have these studies, which eventually may or may not lead to importation works, which may or may not lead to desalination plants, and which may or may not lead to weather modification programs.

I also believe it is no small surprise to some of us to hear Members of the Northwest talking about the cost when it was only last year, I believe, we authorized \$400 million for the third power plant at Bonneville. Bonneville was designed to bring cheap power to the Northwest. I voted for that authorization in committee and on the floor, and I am proud to have voted for it, because I feel that the people of the Northwest have a need. It is important they build up their area. It is important they have an opportunity to attract industry. But it seems to me to be somewhat unfair for them now to come on the floor of the House of Representatives and say, "Oh my gosh,

this is going to cost so much money in the future."

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. TUNNEY. I yield to the gentleman from Washington.

Mr. MEEDS. Has the gentleman or anyone in the Pacific Northwest voted against any of the authorization money in this bill for the central Arizona project?

Mr. TUNNEY. I have not heard any statement made against the central Arizona project; no.

Mr. MEEDS. I thank the gentleman.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. TUNNEY. I yield to the gentleman from California.

Mr. HOSMER. I believe, however, we must say that we have heard several of the gentlemen from the Northwest wish to destroy this bill, to "gut" it, to tear it to pieces and to throw the pieces away.

Mr. TUNNEY. That is right.

Mr. HOSMER. And to leave nothing upon which the Congress could act.

Mr. TUNNEY. That is correct.

This is an area of the country which is extremely important. I need not point this out, but 13 percent of the total population of the country lives in this area. Fifty-one percent of all retail sales of the West take place in this area. Fifty-five percent of the industrial production of the West is in this area serviced by the Colorado River.

What this study will do is to provide, first, for a reconnaissance report, and second, for a feasibility report. But the study itself is to be broad based. It is to look at all the present uses of water along the Colorado River and the basin, as well as the uses up in the Northwest or other areas of potential export. Second, it will—

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ASPINALL. Mr. Chairman, I yield the gentleman an additional 3 minutes, and I ask the gentleman to yield to me.

Mr. TUNNEY. I yield to the chairman of the committee.

Mr. ASPINALL. Is it not true that if the Federal Government had not been understanding of the vagaries of this river and that the users of the waters of this river had not been willing to repay, either through consumption of power within the area by power users or by irrigation repayment, or by municipal water repayment, that this river would not be developed even today? The flood which went through the area in 1904 and 1905 cut off the Yuma area and Mexico and all the rest of the lower basin entirely.

Mr. TUNNEY. That is correct.

Mr. FOLEY. Would the gentleman agree before the feasibility study can be undertaken there has to be a reconnaissance study first? The bill anticipates two stages; namely, a reconnaissance study followed by a feasibility study. Is that not correct?

Mr. TUNNEY. The bill anticipates the two stages will probably be taking place at the same time, because what the bill states in section 201(a) is that the Secretary is authorized to investigate and

recommend sources and means of supplying water to meet the current and anticipated water requirements of the Colorado River Basin, and then it goes on to talk about a reconnaissance study having to be completed in 1973 and a feasibility study directed at bringing 2.5 million acre-feet of water into the Colorado River Basin by 1975.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield to me?

Mr. TUNNEY. I am glad to yield to the chairman of the committee.

Mr. ASPINALL. I will say what I said to the gentleman from Washington in answer to the question he asked the gentleman from Arizona [Mr. RHODES]. This 2.5 million acre-feet of water provided as far as the feasibility study is concerned is the maximum that this bill calls for. It cannot be said in any way to be pointed toward any particular area of the Nation. Is that not correct?

Mr. TUNNEY. That is absolutely correct.

Mr. ASPINALL. Not only that, but up to just the last 2 or 3 years the feasibility report would have been automatic from the Bureau of Reclamation, but under the procedures which we are now following and which the Committee on Interior and Insular Affairs, working with the Committee on Appropriations, suggested, it calls for an authorization for a feasibility report no matter how small it is.

Mr. TUNNEY. That is absolutely right. And time is of the essence. The fact is clear from the testimony we have had, plus private correspondence, that the Northwest is going to finish their basin study by 1971 or 1972, and the reconnaissance study will be completed 1 year thereafter and will be able to take into consideration the information contained in the Northwest study.

Mr. FOLEY. Mr. Chairman, will the gentleman yield to answer a question on his own account?

Mr. TUNNEY. I will be happy to answer.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. HOSMER. Mr. Chairman, I yield 10 minutes to the gentleman from Wyoming [Mr. HARRISON].

Mr. HARRISON. Mr. Chairman, it is with extreme concern that Wyoming views debate on the central Arizona project—the principal feature of H.R. 3300, the Colorado River Basin Project Act.

Our concern has a single primary source: Wyoming's water will be required to make the project function and the legislation provides only the most ambiguous language to suggest that additional water will be drawn into the Colorado River from some outside source to augment that which will be lost.

At an appropriate time, I shall offer an amendment to clarify the question of augmentation.

The bill being debated today is in every sense regional legislation.

It greatly benefits one region—primarily one State—at the expense of others because the water with which the central Arizona project will be fueled will come from the upper basin States of the Colorado River. A half million

acre-feet that is rightfully Wyoming's will be drawn into Arizona's reclamation project.

I urge that the bill before us be either rejected or amended to insure that Wyoming and other upper basin States will not be penalized in their industrial, municipal, and agricultural developments by the downstream expropriation of water which legally is an upstream asset. While the bill reported out by the distinguished chairman of the House Interior and Insular Affairs Committee, the gentleman from Colorado [Mr. ASPINALL], does address the question of augmentation, it is only in the context of a study and the Interior Secretary is prevented from recommending a specific river basin from which augmentation might come without the agreement of the exporting State. This clearly means that no importation will be forthcoming as the result of this act.

As Members know, H.R. 3300 sets no dates for the importation of water into what will soon be a water-deficient river. Nor does the bill provide for the construction of augmentation facilities or any reconnaissance that might lead to the naming of a specific river from which to import water into the Colorado. H.R. 3300 recognizes that the delivery of 1.5 million acre-feet of water to Mexico under the 1944 treaty is a national obligation. Wyoming supports that that obligation.

But it is for the agricultural and industrial future of Wyoming—a future predicated largely on the expansion of our irrigation projects for increased food production as well as development of my State's rich coal reserves—to which I hinge my plea for rejection or amending of the Colorado River Basin Project Act.

Wyoming could be the site of several score coal to gasoline plants in the decades ahead, and these plants, together with possible oil shale research, would put many demands on Wyoming water.

Accordingly, a legal right for the use of the water will be created, or Wyoming will be presented with a dry well at building time if the water is lost to us by virtue of the huge project to be built in Arizona.

The Office of Coal Research, whose Director, George Fumich, visited Wyoming last month at my invitation, estimates that the average coal to gasoline plant will consume from 3 to 15 million tons of coal per day and produce from 15,000 to 125,000 barrels of oil per day. But for this consumption and production to be realized, each plant will require an estimated 15,000 to 30,000 acre-feet of water per year. Clearly, if Wyoming does not have the water, none of these plants will be built, and what is now America's richest coal reserve will not be utilized to bring jobs, business, and taxes into our State.

The very capable Governor of Wyoming, Stanley Hathaway, has prepared a letter for delivery to each Member of Congress prior to debate on the central Arizona.

Governor Hathaway points out:

The Secretary of the Interior has not submitted a report on the presently proposed central Arizona project to the State of Wyoming. We have had no opportunity to review and comment upon the central Arizona project as proposed in H.R. 3300.

Governor Hathaway further asserts:

My State is entitled to formally present its objections concerning this legislation as provided by existing reclamation laws.

But despite the reclamation laws, the central Arizona project has not been submitted to Wyoming for review and, indeed, may be on the verge of House approval today.

The short period between committee approval, Rules Committee action, and the scheduling of the bill on the floor has made distribution of the letter to each member an impossibility, and I will ask that it be printed in the RECORD at this point in my remarks. The letter follows:

PROPOSED LETTER TO MEMBERS OF THE U.S.
HOUSE OF REPRESENTATIVES

In the near future, H.R. 3300, which would authorize the Central Arizona Project, will be considered on the floor of the House of Representatives. Methods followed by the present administration concerning the Central Arizona Project violate the Reclamation Laws. Those laws provide that the Secretary of the Interior shall transmit a report on any proposed project to all States that lie within the drainage basin of that project. Under this provision, a 90-day time period after the receipt of such report is set aside within which the States can review and comment on the proposed project. If any affected State objects to the project, it shall not be deemed authorized except upon approval by an Act of Congress. Plans, proposals or reports for any irrigation project are to be submitted to Congress only upon compliance with this procedure.

The Secretary of the Interior has not submitted a report on the presently proposed Central Arizona Project to the State of Wyoming. We have had no opportunity to review and comment upon the Central Arizona Project as proposed in H.R. 3300. In August 1963, the Department of the Interior submitted the Pacific-Southwest Water Plan to the State of Wyoming for review and comment. That Plan proposed a comprehensive region-wide plan which was designed to meet the needs of the entire Southwest. The Central Arizona Project as presently proposed is a far cry from anything recommended in the Pacific-Southwest Water Plan.

That Plan proposed a two phase program. The major features of Phase I were the creation of a Pacific-Southwest Development Fund, construction of Bridge Canyon and Marble Canyon Dams on the Colorado River, construction of the Central Arizona Project, and the enlargement of the California State Water Project Aqueduct. The major features of Phase II pointed to the construction of works necessary to import water from the North Coastal Area of California into the Pacific-Southwest.

In accordance with the Flood Control Act of 1944 (33 U.S.C.A. Sec. 701-1), on August 26, 1963, the Pacific-Southwest Water Plan was presented to Governor Clifford P. Hansen for review and comment. The Plan upon which Governor Hansen commented upon recognized the inevitable water shortage and offered a positive approach to solving it. Governor Hansen commented favorably, with some limitations, on that Plan. The Pacific-Southwest Water Plan, as submitted to Governor Hansen in August, 1963, is the only Report on the Central Arizona Project that the Secretary of the Interior has submitted to the State of Wyoming in accordance with the Flood Control Act.

The present legislation, whether it be H.R. 3300, S. 1004, or any of the other Bills concerning the Central Arizona Project, proposes a radically different program than that presented in the Pacific-Southwest Water Plan.

The Development Fund recommended in the Pacific-Southwest Water Plan was to be used to underwrite the construction of the works in Phase I. Money for that Fund would have come from the excess power revenues from Bridge Canyon and Marble Canyon Dams. Also, power revenues from Hoover and Parker-Davis Dams would have added to the Development Fund when those projects are paid off in about 1987. The Bureau of Reclamation predicted that by the year 2025, that Development Fund would have a net balance of \$916,000,000. This money would have been available to help defray the cost of augmenting a shrinking water supply in the Colorado River.

H.R. 3300 proposes a Development Fund which would receive all revenues connected with the operation of the Central Arizona Project, revenues from the Boulder Canyon and Parker-Davis Projects available after payout of those two projects, and surplus revenues from the Pacific Northwest-Pacific Southwest power Intertie. Revenues available after repayment of the reimbursable costs of the Boulder Canyon and Parker-Davis Projects, and funds available from the other two sources, after repayment of the reimbursable costs of the Central Arizona Project, could be used to assist in the repayment of works which would augment the supply of the Colorado River. The Secretary of Interior has not informed the State of Wyoming how much money this would provide to assist in such an augmentation.

The Pacific-Southwest Water Plan proposed that the United States cooperate with the State of California in enlargement of the California Aqueduct from Wheeler Ridge to Cedar Springs. The Plan stated that \$100,000,000 could be saved if the United States would, by 1964, commit itself to supply the additional money needed to enlarge the proposed Aqueduct so that it might carry an additional 1.2 million acre-feet. The remaining facilities necessary to supply that water had been shown to be feasible but final refinement of the details of the individual features were necessary before they were ready for authorization and construction. The time has now past when this would have been feasible.

The Pacific-Southwest Water Plan estimated that water requirements from Glen Canyon to the Gulf of Mexico totaled 14,520,000 acre-feet annually. It showed 13,160,000 acre-feet of water to be presently available. This indicated a present deficiency of 1,360,000 acre-feet annually. The Plan showed that with the California Aqueduct in operation, by the year 2000, even though the available supply would have increased to 16,325,000 acre-feet annually, the demand would have increased to 19,805,000 acre-feet annually. When conveyance losses of 170,000 acre-feet annually were added, the total annual deficiency amounted to 3,650,000 acre-feet annually.

The approaches taken in current Bills proposing to authorize the Central Arizona Project, and that of the Pacific-Southwest Water Plan are radically different. The Pacific-Southwest Water Plan presented a broad regional approach that attempted to find an equitable and area-wide solution to a regional problem. Present legislation proposing to authorize the Central Arizona Project would utilize a narrow and limited approach which will leave the fundamental water supply problems on the Colorado River unresolved.

As Governor of the State of Wyoming, I feel that the provisions of the Flood Control Act of 1944 have not been fulfilled in the current process of presenting H.R. 3300 and S. 1004 to the Congress. My State is entitled to formally present its objections concerning this legislation as provided by existing Reclamation Laws.

We therefore request your support in defeating all currently proposed legislation which would authorize the Central Arizona

Project so that the State of Wyoming might have the opportunity to review and comment on a detailed report of the Central Arizona Project as now being considered.

Mr. Chairman, Wyoming is deeply concerned that passage of the central Arizona bill may affect the legal standing of the basic laws of the Colorado River—the compacts of 1922 and 1948, and the Mexican Water Treaty. So that the record on this debate might be crystal clear, I address the distinguished chairman of the House Interior and Insular Affairs Committee.

As you know, the State of Wyoming has long had serious reservations about the passage of any legislation authorizing the central Arizona project, which does not adequately protect our State's lawful rights to Colorado River water.

It has always been Wyoming's view that the Colorado River Compact of 1922, the Upper Colorado River Basin Compact of 1948, and the Water Treaty of 1944 with the United Mexican States represent the supreme law of the Colorado River. It is of the utmost importance that the House record on H.R. 3300 be clear, because much that occurs with respect to the Colorado River in the future will be cast in the context of these debates. For this reason, I respectfully ask if H.R. 3300 is intended to alter or abrogate in any way the law of the river as set out in the instruments I have cited, or is H.R. 3300 intended to directly or indirectly change the apportionment of water to the State of Wyoming in any way from that which has been set out by these instruments?

Mr. ASPINALL. Mr. Chairman, will the gentleman yield to me?

Mr. HARRISON. I yield.

Mr. ASPINALL. The answer is "No." The only reason that the State of Wyoming does not have any projects in this legislation for authorization, admitting its entitlement has gone unused and will be unused for a few years to come, is the fact that they have no projects ready for the Subcommittee on Reclamation of the Committee on Interior and Insular Affairs to take notice of or to work upon at this time. That is the only reason that the State of Wyoming does not have any project in this legislation.

Mr. HARRISON. There might be a possibility, could there not, a theoretical proposition—and I know the gentleman cannot answer definitely, but I would just ask for his opinion—if this water is put to use, the water that belongs to the upper basin, and the State of Wyoming in particular, and is put to beneficial use by the State of Arizona in its projects before Wyoming is able to establish projects for the balance of their water, would it not be possible or very probable that in the case that Wyoming would demand a return of their share of the water, that such return would be refused, and that the case would have to go to court, and that possibly there could be a judgment saying that as the water was being put to beneficial use, Wyoming could not recover it?

Mr. ASPINALL. Mr. Chairman, if the gentleman will yield further, I have long since quit trying to prophesy what the

Supreme Court of the United States decisions would be.

While I would say that there is this possibility, yet I do not believe that there will be any Congress of the United States in the future that will deny the burdens or the responsibilities, as well as the benefits of the Colorado River Compact. To me this is a binding agreement, binding as it can possibly be, and as far as that is concerned I believe the Congress of the United States will always be considerate as soon as the projects for the upper basin can be properly placed before the Congress, so that the upper basin will get to use its water. That is what we are trying to do here through some of the provisions in this bill. We are trying to protect the lower basin water, especially the central Arizona project, from going out of existence after the upper basin begins to use its water.

Mr. HARRISON. I thank the gentleman.

Mr. Chairman, in addition to the amendment I will present later in this debate, providing for a feasibility study for a 4-million-acre-foot augmentation of the Colorado River by 1990, I am drafting legislation for presentation in the event H.R. 3300 passes and the central Arizona project is written into law.

I will introduce a bill to provide for construction of facilities with which to physically make augmentation possible.

To do so as an amendment to H.R. 3300 would be little more than a gesture, because it would dramatically alter the character of the act.

But I am optimistic that this can be accomplished through separate legislation so that construction of augmentation structures can be started as soon as the prerequisite feasibility studies have been completed. All studies and construction should be ready for augmentation of the Colorado by 1990, by which time the river will be sadly in need of a transfusion of precious liquid.

Mr. Chairman, I reiterate that this is regional legislation; it seeks to expropriate Wyoming's water, and adequate means for replacing that water have not been provided for in the bill. I ask the Congress to reject the bill as written or to give Wyoming and other upper basin States some concrete assurances that they will lose none of their water for the benefit of the reclamation project in a single basin State.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. SAYLOR. Mr. Chairman, I yield 4 additional minutes to the gentleman from Wyoming.

Mr. Chairman, I do this for the purpose of directing a question to our distinguished colleague from Wyoming.

The gentleman has heard a number of proponents of this legislation rise and stand in the well today, and say that there is this great unanimity among the basin States. Has Wyoming been a party to this unanimity?

Mr. HARRISON. Wyoming has not been. And to comment upon the previous remark which was made on the floor, in which it was stated that there were 51 Members of the House from this reclamation area, and 50 of them were in accord, I might say that if you check

the legislation very thoroughly you will probably find reason for that accord statement, and I wish to say that Wyoming feels that it is being hurt, and it will be hurt in the future, and as a Representative from the State of Wyoming, I have no hesitancy—and I certainly have no apology—for standing up for the rights of my State.

Mr. SAYLOR. I would like to commend my colleague for his stand. I would also like to direct a further question to the gentleman from Wyoming, because I have had reports from people in Wyoming that they have received calls from the Commissioner of Reclamation threatening the State of Wyoming with allowing no projects now or in the future unless Wyoming supports this legislation.

Does the gentleman from Wyoming know whether or not people have received calls of this nature?

Mr. HARRISON. May I say to the gentleman from Pennsylvania, I had statements made to me that such statements were made. It is hearsay, of course, because I did not hear them.

I had just recently concluded a phone call to my Governor in Hawaii and he said that such statements were made to him. I must say that that is hearsay. I am not going to mention any names, but I was assured that that statement was made.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. MEEDS], a member of the committee.

(Mr. MEEDS asked and was given permission to revise and extend his remarks.)

Mr. MEEDS. Mr. Chairman, I rise to speak in favor of the central Arizona project but against several other portions of this bill.

Let me make it clear at the outset I favor the central Arizona project. Nothing I say should in any way detract from the necessity and propriety of proceeding with it.

And I suppose—being from the Pacific Northwest—my position will be a little suspect. May I also at the outset admit to just a little regional partisanship.

But above and beyond these two factors—the need for the central Arizona project and a bit of regional partisanship—I think there are at least two portions of this bill which bear close scrutiny, substantial change, or rejection by this body.

First of all, Mr. Chairman, I think the precedent of burdening the taxpayers of this country with the financial responsibility of the Mexican Water Treaty 24 years after the pact, is not only dangerous but improper.

Second, Mr. Chairman, I think that shifting the actual physical burden of furnishing the water for the Mexican Water Treaty 24 years after the fact, to some other river basin is not only without precedent but totally wrong.

Let us examine these two facets in more detail—

Section 202 of this bill provides that the satisfaction of the Mexican Water Treaty constitutes a national obligation which shall be the first obligation of any water augmentation project.

Section 401 provides that this shall not be a reimbursable cost of the project. These provisions do two things.

First. Require the taxpayers of the United States to pay the costs of that augmentation.

Second. Require some other area—unless augmentation takes place within the basin or from the sea—to bear the physical burden of the treaty.

Now I admit that there is ample precedent for all of the citizens of the United States to bear the financial burden of treaties. We see it every day. But there is an important distinction which must be made between what this bill asks and the precedent of the Senator Washington Dam, the Painted Rock Dam, the Columbia River Treaty and others. In these instances we have known what our financial obligation is.

Under the legislation before us today we are asked to write a blank check on the U.S. Treasury for any amount found necessary to augment the Colorado to the extent necessary under the treaty.

We are told by the basin States that the treaty was entered under a mistake of fact and they are anxious to be relieved of that mistake. And I don't blame them, but I say to this body that we should not accept this section and ourselves succumb to a mistake of fact. Before we accept this obligation let's find out how it shall be fulfilled and how much it is going to cost us.

And now, Mr. Chairman, to the second point, the actual physical burden of the treaty. Where is this 1.8 million acre-feet of water going to come from? If we follow the rationale of the basin States to its logical conclusion the responsibility of furnishing this augmentation devolves equally upon all the States. Now we know that is totally impractical, so unless the augmentation comes from within the basin States or the ocean, the actual physical loss of some 2.5 million acre-feet of water is going to take place in some other river basin. What other river basin? We do not know, although the bill is pointed at the Pacific Northwest like a loaded gun. Now I ask you, is it proper to make the basin States whole, at the expense of some other area which had no reason to suspect the Mexican Water Treaty, signed 24 years ago, would cause the loss of 2.5 million acre-feet of its water?

This augmentation could conceivably come from the Missouri Basin. Would the Senators those States of the Missouri Basin have advised and consented to the Mexican Water Treaty in 1944 had they felt their water was going to Mexico? Perhaps they would have, but we do not know and they did not have the chance to know.

But the basin State Senators knew. They knew that under the treaty 1.5 million acre-feet of water was to be delivered at the border, and they knew it was to come from the Colorado and they advised and consented to it.

Now we are told that it must come from some other place and we are asked to give the Secretary of Interior the authority to determine the feasibility of importing water by interbasin transfer without the benefit or a reconnaissance

study upon which we can exercise further judgment.

And therein lies another sleeper. Under ordinary circumstances we have the benefit of a reconnaissance study before we authorize a full blown feasibility study. But this legislation in title II, section C, directs the Secretary to prepare a feasibility report without further authorization.

Under some circumstances I might not even object to that. If we were operating on an emergency schedule which dictated such haste. But we are not. The evidence is clear. All of the obligations of the Colorado are being met presently and they will be met in the future, including the 2.8 million acre-feet of the central Arizona project until at least 1990.

Both bodies have passed legislation establishing a National Water Commission. The function and purpose of that group will be to study the very questions we are asking ourselves today: What are the needs of the Southwest now and in the future? What are the needs and resources of the Missouri Basin and the Columbia Basin? Are interbasin transfers likely to be necessary? In short, the Commission will address itself to the water problems and resources of the entire Nation. Their report could well be the comprehensive master plan under which many of the conflicting claims, needs, and demands are settled.

But we cannot expect such a comprehensive plan if we go on willy-nilly with a patchwork of solutions to regional problems and disregard the remainder.

There is no question—the central Arizona project needs to be authorized and it needs to be authorized now. There is a substantial question that this Nation should bear the financial burden of the Mexican Water Treaty.

There is substantial question that some other area should be required to transfer 2.5 million acre-feet of its water to make the Colorado whole.

And there is substantial question that we should authorize feasibility studies without the benefit of a reconnaissance reports.

But there is no question, Mr. Chairman, that we have time to await the findings of the National Water Commission before plunging into the murky waters created by title II of this bill.

I hope it can be eliminated.

May I have the attention of the gentleman from Colorado? A little earlier in discussing title II the gentleman used the words "a minimum of 2.5 million acre-feet." I think the gentleman meant to use the word "maximum."

Mr. ASPINALL. The gentleman from Washington is correct. Perhaps the chairman was a little overenthusiastic. It is the maximum, and the reason we use it as a maximum is to see to it that we are not trying to make an inroad on the Northwest.

Mr. MEEDS. That was my understanding. I thank the chairman.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota.

(Mr. BERRY asked and was given permission to revise and extend his remarks.)

Mr. BERRY. Mr. Chairman, I rise in support of H.R. 3300 as it is. I feel that there is no area in the Nation that needs the help now, that needs a project now as much as Arizona needs this project.

Let me just say that in the 17 years that I have served on the Interior and Insular Affairs Committee, no project has received more careful and thoughtful attention than this project has, and I hope it will have the support of a large majority of the Members of the House.

Mr. Chairman, I have visited Arizona a good many times in the last 40 years. I have watched the State grow from pretty much a desert area to a State with thriving cities and energetic people. But by the same token, I have watched the water supply become less and less adequate. I know the great aquifer that Tucson has depended upon for its source of water is rapidly diminishing. I know that action must be taken if this part of the great 50 States is to continue to grow and prosper.

As a member of the Interior and Insular Affairs Committee, it has been my privilege to see a large number of important reclamation projects work their way through the Congress of the United States. In my 17 years as a member of that committee, however, no bill has had such meticulous and painstaking investigation as has H.R. 3300.

It was my privilege years ago to be a member of the committee when the great Colorado River project was authorized, but even that project—although massive in size—had not had the careful consideration that H.R. 3300 has had.

I know what the water shortage is, I know what the water problem is, and Mr. Chairman, the water problem in Arizona is truly critical. This bill will help solve that problem and with that solution, the problems of all the Colorado Basin States.

Out of 40 years of controversy the great States of the Southwest have forged a solution. They have also taken into consideration the greater national interest. When it was proposed to build dams which might impair the beauty of one of the world's greatest scenic wonders, the Grand Canyon, I, along with others of you, told the southwesterners that there should be a different answer. That answer has been provided, and no threat to the Grand Canyon now exists.

Even the possibility of an insignificant intrusion of a wilderness area in New Mexico—some 110 acres in the edge of a vast area of acres—is to receive further study to see if a suitable alternate site can be found.

Whenever possible, the States have yielded to the national interest and to the problems each has had with the other. It is time for a decision. It would be tragic, indeed, if H.R. 3300, which has so painstakingly been put together, should not receive an overwhelming approval by this body. We cannot and must not fail to come to the assistance of the State of Arizona and her great sister States of the Southwest.

Mr. Chairman, I deem it a privilege and an honor as a member of the Interior Committee to urge my colleagues in this body to vote "Yes" on H.R. 3300.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. BERRY. I yield to the Gentleman from California.

Mr. HOSMER. Mr. Chairman, a moment ago the gentleman from Wyoming [Mr. HARRISON] expressed some fears about the possibility of his State eventually achieving its desires with relation to the waters it has allocated. I know the gentleman from South Dakota has been a longtime member of the Interior and Insular Affairs Committee, and I wonder if he might have an opinion as to whether or not, when Wyoming finds it timely to have such a project or projects, it would receive consideration and most likely favorable consideration?

Mr. BERRY. Mr. Chairman, as one who lives in the upper reaches of Missouri, where we have not yet accomplished our reclamation purposes, I certainly hope the upper reaches in every river basin have preference when and as they need the water and can put it to their use.

Mr. HOSMER. Mr. Chairman, I thank the gentleman. For my own part, I certainly would wish to reassure the gentleman from Wyoming as well. Frankly, I know of no one who does not feel the same way with respect to the projects that State may require within its allocation of the water.

Mr. HARRISON. Mr. Chairman, will the gentleman yield?

Mr. BERRY. I yield to the gentleman from Wyoming.

Mr. HARRISON. Mr. Chairman, I thank the gentleman from California for his remarks. I have the highest respect for the gentleman. I had the privilege and pleasure of serving on the Interior and Insular Affairs Committee with the gentleman for many years, as I did with the gentleman from South Dakota. This assurance is very welcome to me and to the State of Wyoming.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. ULLMAN], a former member of the Committee on Interior and Insular Affairs and presently a member of the Committee on Ways and Means.

(Mr. ULLMAN asked and was given permission to revise and extend his remarks.)

Mr. ULLMAN. Mr. Chairman, first I want to acknowledge with a great deal of respect and affection the monumental achievement of the gentleman from Colorado, the chairman of the committee, in being able to put together this package and hold it together and bring it to the floor at this time. It has been said that the Colorado River Basin project is a delicate patchwork of conflicting interests held together by string and adhesive tape. I think it would be more accurate to say it is held together by the gentleman from Colorado.

I also want to commend the chairman of the subcommittee, the gentleman from California, for his diligence and his fairness in conducting the hearings and handling this matter.

I also would like to single out the gentleman from Arizona [Mr. UDALL], who is so highly respected among his colleagues in the House for the tremendous job he has done, and also his col-

league, the gentleman from Arizona [Mr. RHODES].

I want it to be clear that I favor the construction of the central Arizona project. I have always favored its construction, from its original inception. I do not, as a matter of fact, know of anyone here in Congress from the Pacific Northwest States who does not favor the construction of the central Arizona project. We certainly recognize the problems of water shortages in that great area of the country. As a nation, we do need to get involved in this problem. We need to get involved in the water shortage problems all over this Nation of ours.

But our point of contention here, those of us from the Pacific Northwest, is quite simple; what we are really talking about, when we boil this whole thing down, is the diversion of water from one river basin to another river basin. If we look at the map of the United States, we do not have to be very perceptive to see exactly what we are talking about. We are talking about the diversion of water from the Columbia River into the Southwest.

I believe that if any of you represented an area such as that which it is my privilege to represent, or the areas represented by the other Members from the Pacific Northwest, you would feel as strongly about this matter as I do and as we do here today, because water is the most important asset we have in the great Pacific Northwest.

We have not grown quite as rapidly as the Southwest, but one day—and one day not too far off—we are going to come to the end of the road on our water supply, too.

I am not opposed to the study of this problem. It should be studied. I said that at the beginning. But I am opposed to this kind of a study incorporated in an advocate's bill from another region of the country which so desperately needs water.

That is what it is all about here today.

The second problem involved in this bill is the fact that without the Mexican Treaty provision one could not possibly have the potential for feasibility that would make this kind of diversion possible. But with the assumption of the cost of such a diversion project by the taxpayers of the United States then this comes within the area of feasibility.

So this kind of a package has been very delicately put together, with its ultimate design obviously the importation of water from the Pacific Northwest. That is why we are here today. That is what the argument is all about.

I hope all Members will read the recent letter to the Members of this House from the esteemed President pro tempore of the Senate, the Honorable CARL HAYDEN, of Arizona, appealing for approval of the central Arizona project. It would be an appropriate tribute to this gentleman's remarkable career, the culmination of a 40-year effort, if the House would do that. We should strip this bill of its appendages, make it conform to the bill approved by the other body, and pass it.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. SAYLOR. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. ULLMAN. Mr. Chairman, as Senator HAYDEN said in his letter regarding H.R. 3300:

While this bill differs in some respects from the Senate bill, S. 1004, either would authorize construction of an aqueduct from the Colorado River to bring water into Central Arizona.

My friends, that is it. That is the issue in a nutshell. That is what we should be doing here in the House today, providing a means to get Arizona's entitlement to the Colorado River from Lake Mead to the farms and the cities of Arizona. Instead, we are asked to authorize a carte blanche feasibility study of means to augment the Colorado River, including massive importation works from other river basins. Water diversion studies involving interbasin and interstate transfers should be considered by Congress, but should be considered separate from the proposed authorization of the central Arizona project.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I want to commend the gentleman on his statement and to call the attention of the Members of the House to the fact that the great State of Oregon has some areas which are arid and desert-like, as there are such areas in Arizona, and someday the waters of the Columbia River and its tributaries are going to be needed to supply those areas.

Mr. ULLMAN. The gentleman is absolutely correct. As a matter of fact, in this year's budget we have the start of a new reconnaissance study under the traditional reclamation concept of a project, the South Bank project, which will include some 300,000 to 400,000 acres of fertile lands in Oregon lying adjacent to the Columbia River.

This is just one of many projects that we are going to need to develop. In addition to that, the Columbia River area has its own unique uses and purposes for its water, such as the navigation in the Columbia River, fish and wildlife, and all of the other benefits to the Pacific Northwest that are built about this water facility.

Mr. SAYLOR. I would like to ask one other question of the gentleman. It seems to some people that these two areas are tremendously removed one from the other. Yet, if you look at a relief map of the western part of the United States, the tributaries of the Columbia River and of the Colorado River at one point are approximately 100 miles apart. Is that not correct?

Mr. ULLMAN. It is certainly correct.

Mr. SAYLOR. This indicates there is a real possibility, since the bill now calls for diversion of the tributaries of the Colorado River, of some real danger to the folks in the Pacific Northwest.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I will be glad to if I have any time left.

Mr. HOSMER. I heard the gentleman in the well and the other gentleman

from the Northwest constantly reiterate how they would like to see the central Arizona project only. But what about this situation? Arizona is not drinking something different, from a different well, than other neighbors of hers. Are her other neighbors as much entitled as she is to consideration when it comes to trying to cope with this water shortage?

The CHAIRMAN. The time of the gentleman has expired.

Mr. SAYLOR. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. ULLMAN. I want to say here that the bill that was passed in the other body under the leadership of the distinguished gentleman from Arizona, the dean of the Senate, is the bill that we should rightfully pass here today if we are to follow a sound reclamation concept. What I am urging my colleagues here to do is to strip this bill of its appendages and get it back into the form where it will put the water on the land in Arizona. Then I will be happy to join in the separate consideration of the long-range water problems of the Southwest.

Mr. HOSMER. We all drink out of the same well.

Mr. ULLMAN. And to support the kind of study and procedures that will allow the House to come to a conclusion on this important problem of water supplementation. That should be considered separately under orderly procedures.

Water diversion studies involving interbasin and interstate transfers should be considered by Congress completely separate from the proposed authorization of the central Arizona project.

To do any less is to relegate the interests of other regions to that of the Southwest. The purpose of the feasibility study called for in the bill is clearly apparent. It is to enhance the water supply of the Colorado Basin and to enhance the feasibility of projects in that region. It is our responsibility to see that such studies are made, instead, in an aura of objectivity, in a spirit of impartial concern with the water problems of every region.

I ask the Members of this House to reflect on the implications this legislative innovation may hold for their own regions, and I hope you will join me in opposing title II of H.R. 3300 and in supporting instead reasonable, separate and objective studies of this volatile issue.

I turn now, Mr. Chairman, to the true "Trojan horse" of this episode.

We have all heard the soothing assurances that the assumption of the Mexican Water Treaty as a national obligation is not a commitment for expenditure of Federal funds. I submit that it can be interpreted no other way.

To put this issue in proper perspective, it must be clearly understood first that the Colorado Basin States were not deprived of water by this treaty. Mexico had an entitlement, and the treaty formalized that entitlement. The entitlement was not to unspecified waters from anywhere in the United States, but to water from the Colorado River.

The assumption of this obligation by the United States means that the American people will have a moral obligation to pay whatever costs are required to obtain water from other sources and to deliver it into the Colorado River system.

Under the terms of this legislation, the obligation would be assumed without any valid estimate of costs. The obligation would be assumed without any advance knowledge that water can be secured from other sources without doing damage to the area of origin.

The record is not completely vacant, however. We do have the words of the Commissioner of Reclamation in his testimony of last year before the Interior Committee. In answer to a question on potential costs of diverting water from the Columbia River to the Colorado Basin, Commissioner Dominy said—and you will find this on page 897 of the hearing record:

It looks like it could well cost \$125 to \$150 an acre foot to transport it 1200 miles because of the extra length and extra pumping head to move it from the Columbia.

Section 201 of H.R. 3300 calls for studies of importation works of 2½ million acre-feet. At \$150 per acre-foot, it would cost \$375 million yearly, or almost \$19 billion over the 50-year life of the project.

We would be assuming an obligation to perform this monumental task without regard to financial or economic feasibility. In effect, we will be agreeing to do it at any and all costs.

It is no secret, Mr. Chairman, that this feature of the bill is seen by the proponents as the base upon which incremental water importation can be made at costs far lower than those assumed by the United States in providing the initial importation works. Without the nonreimbursable Mexican Treaty provision, it is almost inconceivable that expensive, massive diversion works will ever be constructed—or will ever be needed in view of advances being made in desalinization and other techniques. But once the Congress has authorized diversion works to meet the treaty obligation, the temptation to enlarge the facilities at slight incremental costs will be overpowering.

It is my earnest hope that this House will vote to remove section 401 so that we can legitimately consider this problem in its proper context, and when more facts are known about costs and alternatives.

This is no time to vote a blank check on the Federal Treasury.

Finally, Mr. Chairman, I want to make it clear once again that I favor studies of means to solve the water problem of the Southwest, but only under circumstances that will assure impartiality and will conform to the usual standards of reclamation law and practice. The study provisions of this bill are, like the provision for assuming the financial responsibility for the Mexican Water Treaty, totally unacceptable.

I ask that you vote to recommit this bill to purge it of these gargantuan and far-reaching provisions. If we are successful in that, then I hope you will join in voting for the central Arizona project authorization so that the good people of that region can get on with the task of developing their water resources.

If we are not successful in recommitting the bill, then in all fairness it should be rejected, and the truth should be

made abundantly clear—the central Arizona project was the victim only of those who heaped its burden too high.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, at the outset let me say that I am proud of this Committee and of the Members of this House. As I have sat here and listened to this debate today and recognized the different interests we represent, it has come to me that we have a great procedure for legislating. I think Committee debate has been at its very finest. I know those of us who may differ with others—for example, I with the chairman of this great Committee on Interior and Insular Affairs—respect those who have differing views. I just want to say for one that I think the record we are writing here will certainly transcribe into legislative language a background of a very argument expressed by both sides of the controversy without rancor and with great reason.

As I say, today I am proud of this body and the way it has carried out its important function.

Mr. Chairman, I rise in opposition to H.R. 3300, the Colorado River Basin project, in its present form. However, I support the authorization of one of its features, the central Arizona project, which would enable the people of the State of Arizona to use their entitlement of 2.8 million acre-feet of Colorado River water as adjudicated by the Supreme Court of the United States. The project meets the criteria and policies of the Interior Committee for Federal water resource developments, and considered on its own merits, it warrants early congressional approval.

But, while providing proper provisions for one area, this bill jeopardizes many other river basins of the Nation, and this must not be permitted.

To me, one of the objectionable provisions of this bill is found in title II. The purpose of title II is to authorize the Secretary of the Interior to engage in investigations and studies of the means of augmenting the water resources of the Colorado River, including interbasin transfers and the preparation of reconnaissance and feasibility reports thereon. This duplicates already existing authority as contained in the Water Resources Planning Act, but above this, it is the National Water Commission which is the appropriate entity to undertake an evaluation of basic issues relative to the Colorado River water supply problems.

And, Mr. Chairman, this title of the bill sets a dangerous precedent by providing money on a nonreimbursable basis for this project. I might add that it is unthinkable to me, in these times of fiscal pressures, that we should support an open-end authorization which has no more than an estimated figure, and I might add, too, that we are talking of a project which ultimately could cost as much as \$10 to \$30 billion.

The point is, Mr. Chairman, that as this bill stands, with its unthinkable high cost, no river basin in the Nation would

be safe from being tapped as a source of water for the Colorado River.

I might add, Mr. Chairman, that I oppose the provisions of section 202 of H.R. 3300 which would make the satisfaction of the requirements of the Mexican Water Treaty a national obligation. The burden of the treaty should remain in the Colorado River, and not be shifted to other parts of the country at the expense of the people of the United States.

The provision to make the satisfaction of the Mexican Water Treaty a national obligation is an attempt by the Southwest supporters of this bill to get 2,500,000 acre-feet of water delivered annually to their doorstep free of cost to them without regard for the areas from which the water might be taken and with the Federal Government footing the bill. The rights of Mexico are to a portion of the Colorado flow, not the Missouri, Columbia, Hudson, or any other river. If they are excessive, then I believe the treaty should be renegotiated; not rob other areas to solve the problem.

Mr. Chairman, I think if title II is eliminated from H.R. 3300, I can support the central Arizona project authorization, for only in this way can the Nation have sensible water resource planning. Otherwise, I certainly intend to vote against the bill, and I would urge others to do likewise.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from California.

Mr. HOSMER. We, like the other gentlemen from the Pacific Northwest, again reiterate the fact that trying to take care of Arizona and build the project is necessary, but they do not want to do anything about the other States along the river. And, as I said before, we are all drinking out of the same well which is now going dry. Why should we not all receive equal consideration?

Mr. PELLY. We do not want these stones in the well that gives us water to be less than we need. I say to the gentleman that we have had his support in the past and we have appreciated it. But without rancor or recrimination I urge the gentleman to consider our position in the Northwest as, for instance, in the State of Washington alone, we have 1 million acres of arid land which we would like to make use of but have not been able to do so because as yet it is not developed. We must protect this 1 million acres for the production of food and fiber in the future.

Mr. SAYLOR. I say to my colleague, the gentleman from Washington [Mr. PELLY], that I commend the gentleman on his statement and I would like to remind my friend, the gentleman from California [Mr. HOSMER], who was talking about drinking out of the same well, that when the State of California came in and asked for their projects they never were called upon by the Congress to assume any of the burdens or responsibilities that they now want Arizona to assume. I think it is utterly unfair.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. SAYLOR. Mr. Chairman, I yield such time as he may consume to the

distinguished gentleman from Iowa [Mr. KYL].

(Mr. KYL asked and was given permission to revise and extend his remarks.)

Mr. KYL. Mr. Chairman, I recognize the need for bringing more water to the State of Arizona. I recognize the substance contained in the statement, that water is worth what you have to pay to get it.

Mr. Chairman, I signed the minority report. I hope some amendments will be adopted to this bill. Such amendments may satisfy my objections and therefore before the amending process starts, I want to clarify my position. My only son is a member of an esteemed law firm, which has been actively engaged in the promotion of the central Arizona project. That involvement is on record. Lest there be some implication or inference, on final passage of this bill, I shall vote "present."

I thank the gentleman from Pennsylvania for yielding this time to me.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. HANSEN], a member of the committee.

Mr. HALEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Sixty-two Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 140]

Ayres	Frelinghuysen	Morse, Mass.
Blester	Griffin	Moss
Broomfield	Gurney	Olsen
Burleson	Halleck	O'Neill, Mass.
Carter	Hanley	Pool
Cederberg	Hardy	Purcell
Clark	Hébert	Randall
Collier	Holland	Resnick
Cunningham	Karsten	Rivers
Dawson	Kee	Rosenthal
Diggs	Kelly	Selden
Dorn	Long, Md.	Teague, Tex.
Everett	MacGregor	Tenzer
Evins, Tenn.	Mailliard	Wilson
Flood	Montgomery	Charles H. Young
Fraser	Moore	

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PRICE of Illinois) having assumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 3300, and finding itself without a quorum, he had directed the roll to be called, when 385 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. At the time of the quorum call, the gentleman from California had yielded 5 minutes to the gentleman from Idaho [Mr. HANSEN].

(Mr. HANSEN of Idaho asked and was given permission to revise and extend his remarks.)

Mr. HANSEN of Idaho. Mr. Chairman, we have heard a lot of speeches today so I plan to take this time to clarify a few items. I would like to ask the chairman of the full committee or one of the proponents of the bill to respond to some questions.

Mr. Chairman, with regard to this legislation there is a provision designed to allow any State to reject proposals for transfer of water if they feel it is not in their best interest to allow this water to be exported from their State.

Does the gentleman from Colorado envision any pressure being placed upon the chief executive or the water commission or board of any particular State in such manner as to prejudice against future Federal reclamation projects if they do not go along with some sort of water transfer program?

Mr. ASPINALL. Mr. Chairman, if the gentleman will yield, I do not envision such pressure being placed upon the Governor or the authorities in charge of these programs. Insofar as I personally am concerned, I would look at it with a great deal of criticism, any attempt to force the Governor or the State authorities to enter into any agreements with reference to water that would be adverse to their interest.

Mr. HANSEN of Idaho. Might I ask the gentleman further if he speaks for himself or if he speaks for members of the committee and administrators of the Department of the Interior and the Bureau of Reclamation who can create pressures in their dealings with such States regarding the development of their water resources?

Mr. ASPINALL. I cannot speak for the committee. I cannot speak for the present Department of the Interior. The gentleman knows full well that I cannot speak for a future Congress a full decade from now. I say this because I do not believe that the procedures under which we operate would be used in order to bring about the creation of such a situation.

Mr. HANSEN of Idaho. But there is really no assurance, except upon an individual basis with those people concerned that this so-called pressure may not exist or be brought to bear?

Mr. ASPINALL. Mr. Chairman, if the gentleman will yield further, the only thing this Congress can do is to write its own legislative history. I could not speak for the next Congress and most certainly in the last few years it has been shown that a Congress could not speak for an administration on how this would operate. All I can do is to attempt to allay the fear of the gentleman from Idaho through stating that there is not going to be any invasion of the water rights of his State and its welfare, as a result of this committee's action.

Mr. HANSEN of Idaho. Mr. Chairman, I thank the gentleman from Colorado and desire to ask further questions on another topic.

The second major item of concern, Mr. Chairman, would include the assumption of obligation of the Mexican Water Treaty by the taxpayers or by the citizens of the United States rather than the States of the Colorado River Basin. With the assumption of this obligation by the United States as a whole, is this not to presume that—even though it has been stated many times that there is no money authorized in the legislation today—that there would be the possibility or the probability of a request for funds as soon as it is decided that there

is some way to augment the flow of the Colorado which is the aim of this legislation?

Mr. ASPINALL. If my colleague will yield further, I would simply state this, That it all depends on the study, and if the study indicates a feasibility and if the Federal Government should assume its responsibility in regard to 2.5 million acre-feet, which is the Mexican water burden, and the users along the Colorado River would assume their responsibilities to repay the costs of the 1 million acre-feet, which would be their portion, and the feasibility would be certainly at least 1 to 1, then I would say to my friend that we might look for some kind of project being suggested some time in the next 6 or 8 years, or further on by the Congress of the United States.

But at that time the Congress would be the one to approve or disapprove the project.

Mr. HANSEN of Idaho. Would the gentleman say that the legislation before us today would provide that the Mexican Water Treaty obligation is shifted, period?

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. SAYLOR. Mr. Chairman, I yield 2 additional minutes to the gentleman from Idaho [Mr. HANSEN].

Mr. HANSEN of Idaho. I thank the gentleman for the additional time.

Mr. Chairman, I would ask the gentleman, would this not mean, then, that there does have to be some method provided to satisfy the Mexican Water Treaty obligation by the country as a whole, and there would be some expense somewhere?

Mr. ASPINALL. At the present time there is a question in the minds of many people as to possibly where this burden lies, but it is a fact that if the water is in the river, and Mexico is entitled to 1.5 million acre-feet of water, then the river is going to furnish that. That is a practical explanation of the present situation.

Now, if the National Government assumes this responsibility, as it has on other areas, in the Columbia River Basin, and the Rio Grande River Basin, and it has partially in this river basin, then I would say that the responsibility and expense has shifted, but this also depends upon the feasibility study.

Mr. HANSEN of Idaho. Is the gentleman saying that there is no shift of obligation until such feasibility studies are completed, and you come back to the Congress with recommended measures, and appropriate money to take care of the project?

Mr. ASPINALL. Exactly; but I say that, with the gentleman's permission, that there is a statement of policy that the Colorado River Basin has to receive the same treatment in the consideration of treaty obligations as any other river basin in the United States.

Mr. HANSEN of Idaho. I thank the gentleman.

(Mr. HANSEN of Idaho asked and was given permission to revise and extend his remarks.)

Mr. HANSEN of Idaho. Mr. Chairman, it is quite obvious that the Governor's veto provisions are not adequate and do not guarantee that a State can exercise

free choice without possible pressures and reprisal on the part of Federal officials. It is further obvious that future costs are inevitable and indeterminable with regard to the shift of the Mexican Treaty obligation to the Federal Government, with accompanying feasibility studies for water augmentation in the Colorado Basin.

Mr. Chairman, I have long advocated proper development and use of our natural resources so that our country might grow and progress and serve the ever-increasing needs and desires of the people of this great Nation.

Early in my time in the Congress, I went on record in this matter with the following statement:

WASHINGTON, D.C., August 19, 1965.—Recent hearings by the Irrigation and Reclamation Subcommittee, of which I am a member, have again pointed up the necessity for maintaining a constant vigil over the waters of the Snake River and the Columbia Basin. In view of this, I have called for open and long range planning by the Department of the Interior, and also for an open declaration of its intention in connection with various water projects which it is proposing.

The latest indication that the Bureau of Reclamation is at least considering transferring water from one basin to another came during hearings on the Southern Nevada Water Project. In this particular case, there appears to be more project than available water and a witness from the Bureau of Reclamation, Mr. D. C. McCarthy, was taken to task by Rep. John P. Saylor (R-Penn.) on the future intentions of the Bureau. Following is a part of the colloquy between the two, which I believe to be very interesting and illuminating.

"Mr. McCARTHY. We, of course, expect within the next 20 to 25 years there will be a means of increasing the water supply for the Colorado River. If there is not, then the whole area faces a dismal future.

"Mr. SAYLOR. Come on, tell the rest of it.

"Mr. McCARTHY. I do not think there is any more to tell, sir.

"Mr. SAYLOR. You might as well admit you have your eye on the water in California—North California—and you have your eye on the water up in the Columbia Basin. These are the places you are going to try to put the water in the Colorado from.

"Mr. McCARTHY. We recognize there will be a shortage of water in the entire Colorado River Basin. Where we are going to get it requires a lot more investigation and study."

Following this exchange, and because of its implications, I then made the following statement:

"Mr. HANSEN. I think there have been some important things brought out today in this examination which we should certainly keep an eye on. This especially applies to policies and development of water, particularly as they relate to efforts and desires of the Department of the Interior and the Bureau of Reclamation. I think it is important for us to get these figures straight so we know where the water is coming from and if there is sufficient water. If water is to be brought from other areas, we should know how, when, and how much."

I think the examination today has shown without doubt that there is a water problem in the Colorado River area. Certainly it is going to be vitally necessary for us to make a good, long objective study of this. We cannot encourage piecemeal projects which have not taken into account our overall water picture and comprehensive future needs and naively hope they will work themselves out in 100 years.

Soon after I issued this further statement bearing in the matter of compre-

hensive development of our water resources:

Current hearings before the House Committee on Interior and Insular Affairs, of which I am a member, have disclosed a dire threat to Idaho's future water. The hearings—on the Lower Colorado Basin project—have revealed that water for the project in the immediate future would come from the Upper Colorado Basin—but that the Upper Colorado Basin could reclaim the water should it be needed in the future, or it would be replaced by imported water. Implied is the intention of the Bureau of Reclamation to get future water—imported water—from the Columbia River Basin, of which the Snake River is a part.

Because of this, I have written to the Bureau of Reclamation asking that a full and complete study of present and future water needs and resources be made in the Western States. I have asked that this study include wastage of water in the Colorado Basin; reclaiming of water in the Basin; desalinization of sea water; and sources of additional water within, or adjacent to, the Basin—including the millions of acre feet of water flowing into the sea each year from Northern California.

It is also vitally important that Idaho be given the opportunity to completely assess her resources and needs, which can be done properly through the Idaho State Department of Reclamation with the assistance of organizations such as the newly-created State Water Resource Board and the Idaho State Reclamation Association.

In Committee I shall insist that no action be taken on authorization of the Lower Colorado Basin project unless it can be demonstrated that it can stand by itself, or until such time as reports are received on these studies absolutely proving that a surplus exists—and then that it be authorized only if Idaho receives adequate assurance of protection of area of origin so that its usable water, present and future, is not placed in jeopardy. I shall also insist that all possible sources of water available to both the Upper and the Lower Colorado Basins are exhausted before any water—from any outside source—is imported into these areas.

The following year I again issued a statement on the progress of water development as pertaining to the central Arizona project when it was before the 89th Congress:

WASHINGTON, D.C., September 15, 1966.—As reported last week, the Lower Colorado Basin Bill is dead for this Congress. This stoppage, even though proponents will try to revive it during the next Congress, gives the states of the Pacific Northwest added valuable time in which to inaugurate and complete studies of their own water resources and future needs. This is essential in that it is these states that would most likely have been called upon to furnish large quantities of water for the Southwest under terms of the bill.

In this respect, Senator Len B. Jordan and I have introduced legislation calling for the Southeast Idaho Water project; and the entire Idaho Congressional Delegation has introduced legislation for the Southwest Idaho Water project.

The Southeast proposal provides for supplying new and supplemental irrigation water to Idaho lands through Lynn Crandall dam, recharge of the underground waters in the Snake River plains, construction of a two-dam project on the Wood River and low head dams below Thousand Springs to create slack water for pump back and re-use. As advanced, the project would include an analysis of the economics and hydrology of each unit.

The Southwest proposal calls for a four-divided project encompassing an area of about 15,500 square miles and spread across

eleven Southwestern Idaho counties. It would provide full irrigation water to nearly a half-million acres of new land and supplemental water for 62,000 acres now inadequately irrigated.

The demise of the Lower Colorado Basin project is especially heartening news to proponents of the Southeast and Southwest Idaho Water Development projects who have been and are diligently working to gain early feasibility reports on them.

On the weekend of August 26th, Senator Jordan, Senator Church and I—together with representatives of the Corps of Army Engineers and the Department of the Interior—toured the Snake River by boat from the Swan Valley bridge to the proposed Lynn Crandall dam site, some twenty miles downstream, viewing possible reclamation and flood control sites. The trip was rewarding and informative.

On September 8 the Department of the Interior announced that it has approved a feasibility report on developing initial phases of the Southwest project, including the Mountain Home Division and two units of the Garden Valley Division. On September 9 public hearings were held in Boise on the project. Rep. Walter Rogers (D-Tex.), chairman of the Irrigation and Reclamation Subcommittee of the Interior Committee, conducted the hearings, with several other Congressmen from the subcommittee attending.

No "big news" came either from the reconnaissance trip down the Snake or from the hearings, but they are vital steps toward gaining favorable congressional action. When these projects, together with similar projects in Oregon and Washington, are approved, then the states of the Pacific Northwest will have gained added assurance that they will have water in perpetuity to meet their needs.

Now this year we are again faced with the central Arizona project along with the full-scale treatment of the Colorado Basin water problems as they have been added through compromise and deliberation among the Colorado States and before the Committee on Interior and Insular Affairs. My statements on this matter are clear:

WASHINGTON, D.C., April 11, 1968.—Probably the biggest problem with which we have had to cope the last few days in the House Committee on Interior and Insular Affairs was the Colorado River Project, or the Central Arizona Project as it is commonly known. Instead of just trying to take care of the Central Arizona Project, as was originally intended, this bill tries to solve all of the problems of the entire Colorado River Basin—not only for today, but for generations to come.

The most objectionable—and dangerous—section of the bill would transfer to the United States as a whole the obligation of the seven Colorado River Basin states to furnish one and one-half million acre feet of water annually to Mexico as provided for in the United States-Mexican Water Treaty of 1944. The bill anticipates that the flow of the Colorado River must be augmented by that amount, plus an additional 300,000 acre feet for evaporation. But it makes no mention of how the augmentation shall be accomplished.

There are several ways in which this could be done. Weather modification is one, desalinization of sea water is another. But, as Congressman John Saylor of Pennsylvania, the ranking Republican on the Interior Committee recently said to me, "I might say to you, who come from Idaho, that one of the places they are looking for water with a very jaundiced eye is the Pacific Northwest."

The Department of the Interior has said that they have made no studies of the cost of diverting water from the Pacific North-

west to the Colorado River Basin. But it was stated in Committee by qualified experts that such diversion would cost \$2½ billion to \$4 billion—or more—for the necessary 1.8 million acre feet annually. Then, after breaching the dyke and allowing a trickle of Pacific Northwest water to flow to the Southwest, it would cost very little more for the Colorado Basin states to increase the trickle to a torrent—6.7 million acre feet a year is the figure most often mentioned.

This is the real threat. If the plans and schemes of the Colorado River Basin states are realized, up to 8.5 million acre feet of water could be irretrievably lost to the Pacific Northwest. Our chance to defeat this water grab will come when the bill reaches the floor of the House for vote.

Rep. Wayne Aspinall (D-Colo.), Chairman of the House Interior Committee, has conceded that he will have a hard time getting the bill through in its present form. And Rep. Saylor, a 20-year veteran of the House, and an extremely capable legislator, has pledged a "real effort" to get Section 302, the Mexican Water Treaty transfer, out of the bill. He told me that, with the section in the bill, "I don't see how anybody from other than any of the seven basin states could possibly support it."

WASHINGTON, D.C., May 9, 1968—The Colorado River Project Bill, now before the Congress, is a devious and tricky method of increasing the available water in the Colorado River—very possibly at the expense of Idaho and the Pacific Northwest—with the cost to be underwritten by the taxpayers of the whole country.

Going back a bit into the history of the Colorado River, in 1922 the seven states of the Colorado River Basin signed a compact governing the use of the river's water. At that time they knew that the Republic of Mexico was using, and was entitled to use, water from the river. As a matter of fact, discussions of water for Mexico occupied a prominent part in the negotiations for the compact. Then, in 1944, the Mexican Water Treaty was ratified, assuring to Mexico 1.5 million acre-feet of water a year.

Now the Basin States want to shift the responsibility for Mexico's quota from themselves to the rest of the United States. If this were done, the flow of the Colorado would have to be increased by the 1.5 million acre-feet allocated to Mexico, plus an additional 300 thousand acre-feet to allow for evaporation. And, inasmuch as it would be a national responsibility, the taxpayers of the entire United States would pay for the cost of the procurement of the increased water flow.

The threat to Idaho and the Pacific Northwest is that the Southwestern States are looking to our area as the most logical source for the water with which to increase the flow of the Colorado. And, realistically, the original transfer of 1.8 million feet to satisfy Mexico's claim, at an estimated cost to the U.S. taxpayer of 2½ to 4 billion dollars, would just be a foot in the door. It would then be possible for the Basin States to increase the flow from a trickle to a torrent at relatively little expense to themselves. They speak now of an additional 6.7 million feet—a figure that could, and probably would, be increased greatly.

Obviously, the transfer of responsibility under the Mexican Water Treaty is a thinly-disguised pretext, but a pretext that would result in an immediate windfall of 1.5 million acre-feet of water for the seven Basin States—plus what they could later acquire.

I have great sympathy for the people of the State of Arizona in this matter. The Central Arizona Project, which is a part of the bill—and which would give to Arizona what is rightfully hers by virtue of a decision of the Supreme Court—would be no

problem if it were to be considered by itself. It should not be tied in with the scheming water grab which the Colorado River Project would authorize. Unfortunately, acceptance of the Colorado Project is the price the other Basin States are forcing Arizona to pay in order to obtain their support for the CAP.

It is possible that the Colorado River Project will die, as it did last year, in the House Rules Committee. However, should it reach the House for vote, I am confident that, with its drastic and far-reaching proposals fully explained, the House of Representatives will not allow the responsibilities of seven states to be foisted on the entire country.

The following statement further illuminates this situation:

H.R. 3300—THE COLORADO RIVER BILL

The central feature of the Colorado River Basin Bill, the Central Arizona Project is a worthy project, of economic feasibility and in the tradition of sound reclamation development.

However, two other provisions which have been added make H.R. 3300 highly objectionable.

In particular they imply an immense *federal expenditure* and an unusual abandonment of congressional authority and responsibility.

1. One provision of Section 401 provides that "Costs of construction, operation and maintenance allocated to the replenishment . . . of Colorado River flows . . . shall be *nonreimbursable*." The effect of this language, when taken together with language found in Title II of the bill, is to commit the Federal Government to construct a massive public works project—probably consisting of pumps, canals and reservoirs to import water or a desalting project—capable of increasing the flow of the Colorado River by 2½ million acre-feet per year.

The cost of constructing this project would be "nonreimbursable" or, in other words, it would be built at federal expense.

The cost of replacing water delivered to Mexico has been estimated at \$8 billion dollars. And these costs do not reflect interest charges.

Congress should not make a legislative commitment of this nature until it has weighed and evaluated all of the facts and all of the costs involved. At present, no studies have been made of any of the relevant questions such as where the water would come from, what it would cost, etc. Congress should reserve a decision on assuming an obligation of this magnitude until the appropriate information is available.

2. The second objectionable feature of the bill is found in Title II. Title II directs the Secretary of the Interior to prepare reconnaissance and feasibility plans for increasing the flow of the Colorado River by 2½ million acre-feet per year.

Contrary to existing law and policy, the Secretary is directed to proceed immediately from a reconnaissance grade study to a preconstruction feasibility plan. As a result the Congress is denied an opportunity to review and evaluate the reconnaissance plan before the feasibility study is authorized. This creates an unwarranted exception to Section 8 of the Federal Water Project Recreation Act and procedures normally followed by the Committee and the Congress.

This is the first time an exception has been made to the Act and normal procedures. It constitutes an abdication of Congressional responsibility to evaluate water resource projects by the executive branch before authorizing detailed preconstruction feasibility studies.

It is unwise as a matter of principle.

It is irresponsible as a matter of economics, because the project which will ultimately be proposed may cost as much as \$10 to \$30 billion. Furthermore, it is unnecessary be-

cause no water shortage will occur for more than 30 years.

H.R. 3300 should be amended to remove these two features from the bill. If this is done, the Central Arizona Project and the other projects which would be authorized by H.R. 3300 may proceed. It should be pointed out that the cost of these proposed projects alone is \$1.3 billion. This is a large authorization at a time when we are all conscious of the pressures for economy. Yet this is a justified authorization.

The bill should not, however, be adopted if the provisions discussed here are not deleted. They were not recommended by the Administration when the basic legislation was transmitted to the Congress. They were not included in the Senate passed bill to authorize the Central Arizona Project.

Attention is directed to the "additional separate and dissenting view" at pages 162-170 of the Report on H.R. 3300 (Report No. 1312) for a more detailed discussion.

Mr. Chairman, the central Arizona project, an irrigation development long awaited by the State of Arizona, itself is worthy of support.

But it is essential to critically examine two particular features of H.R. 3300, the Colorado River Basin project bill, which are different from the measure as passed by the Senate and which are not in agreement, with the Department of Interior's position:

First. The Mexican Water Treaty provision is contrary to existing law and is without precedent. It also implies a potential cost to the taxpayers of inestimable billions of dollars and is like writing a blank check on the Federal Treasury.

Second. The provision for a Department of the Interior feasibility study flagrantly disregards existing law and is an improper and unbridled delegation of congressional authority and responsibility to an executive agency.

Both of these troublesome features can and should be removed from H.R. 3300. Neither is essential to the authorization of the central Arizona project.

I hope this body will eliminate these highly objectionable and extremely controversial and costly features from H.R. 3300 to make it an acceptable piece of legislation.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the gentleman from New Mexico [Mr. MORRIS].

Mr. MORRIS of New Mexico. Mr. Chairman, I hope that the House will act favorably today on this bill to authorize the Colorado River Basin project. I believe it is projects such as this that represent the best investment that we could possibly make in the economic future of our Nation. I personally am concerned at the tendency to place greater emphasis on some of the newer, more glamorous domestic programs and neglect the programs basic to the development and preservation of our great natural resources.

It is not generally appreciated that of the total reclamation investment, for example, 89 percent is repayable and is being repaid, a good share of it with interest. I know of no other Federal investment in our natural resources that can show such a return. Only the investment charged to purposes which, by national policy, are nonreimbursable, is not

repaid. Since the reclamation program was initiated back in 1902, we have expended about \$5.5 billion on Federal reclamation projects. This incidentally, as you know, represents only about one year's expenditure under the space program. These reclamation projects are now furnishing water to over 9 million acres of land and producing more than 150 different crops with a gross crop value of about \$1.5 billion annually. It is estimated that income taxes generated by these reclamation projects during the last 25 years alone, have exceeded the total of Federal investment in the projects.

The benefits that have accrued from other aspects of our water resource development are equally startling. For a relatively small public investment, large investments have resulted in the private sector. For example, it is estimated that since 1952, about \$131.5 billion has been invested in industrial production facilities at water-oriented sites. Yet the Nations' total capital investment in all navigation work to date by the Corps of Engineers, including our harbors and inland waterways, is less than \$5 billion. This represents a pretty good investment ratio of more than 26 to 1. It is estimated that the Federal flood control investment of \$5 billion to date by the corps has already saved an estimated \$15.8 billion in damages. Storage in the reservoirs constructed by the Corps of Engineers and the Bureau of Reclamation now furnishes about 2 billion gallons of municipal and industrial water to over 14 million people annually. And there are many other valuable benefits accruing from these projects, such as power generation and recreation.

It is interesting to note that these great benefits which have accrued to date from these projects constructed by the Corps of Engineers resulted from an investment of only about \$20 billion since the Corps of Engineers was founded in 1824, or only about one-fourth of what we will spend on national defense in the next fiscal year.

Although we have accomplished a great deal to date in the water resource development of our country, the job facing us in the years ahead is of tremendous magnitude and complexity. We must not stop now in providing the essential authorizations required to meet the critical water resources needs facing many areas of the country.

It is estimated, with the population explosion and rising standard of living, that the daily water requirements of the next generation may approximate a trillion gallons compared to the present daily level of 400 billion gallons. Since the supply cannot be significantly increased, every possible means will have to be employed to conserve and use water wisely. No area of our country will escape water resource problems in the future, whether it be flood control, drought, pollution control, industrial and municipal water shortages, navigation, and so forth.

I feel that there is no alternative to providing the necessary authorization for the construction of essential water resource projects which after review have been found to be economically feasible.

Certainly the Colorado River Basin project is urgently needed by the region to augment its inadequate water supply and the plan, as recommended by the committee, is feasible and economically well justified. Over 86 percent of the project cost will be repaid over a 50-year period.

Mr. Chairman, I strongly support this authorization and hope it will be favorably acted upon by the House.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. LLOYD].

(Mr. LLOYD asked and was given permission to revise and extend his remarks.)

Mr. LLOYD. Mr. Chairman, representing a State whose cultivated lands represent only 4 percent of its total land area carries with it the responsibility to communicate to my colleagues in the Congress the urgency of adopting responsible legislation to put to beneficial use the existing water resources of this vast land with such great potential benefit to all America.

Two authorizations in this Colorado River Basin project bill directly affect my State and district. The first is the Uintah, or first unit of the ultimate phase of the central Utah project, which will make possible the continued industrial and population growth of much of central and north central Utah where the greater part of our population now resides and which future population projections reveal to be dependent upon water from the Colorado River. The Dixie project, near Utah's semitropical southern boundary, will make possible industrial, population, and agricultural development in a wonderfully scenic land, with attractive climate, and geographically adjacent to the southern California, Salt Lake City and other markets. These projects of course are to be substantially repaid by the users of water and other services of the projects, and ad valorem taxes to be paid by local residents.

There are many solid arguments for the first of these authorizations—the Uintah unit of the central Utah. I want to emphasize the need for municipal and industrial use in Utah's urban areas.

POPULATION GROWTH OF SALT LAKE COUNTY AND WASATCH FRONT

The population of Utah today is a little over 1 million, but Utah ranks fifth among the 10 fastest growing States in the Nation, percentagewise, according to a population projection study by U.S. News & World Report, based on official data from the U.S. Census Bureau. The study revealed that the percent of Utah's population growth between 1966 and 1980—30.1 percent—will be exceeded only by Arizona, Florida, New Mexico, and California. A more recent study on population projections conducted by the Bureau of Economic and Business Research, University of Utah, predicts an even faster rate of growth than the U.S. News & World Report projections anticipated. The first projection estimated a population in Utah of 1,311,000 by the year 1980, as compared to about 1 million today. The University of Utah projec-

tions estimate the population at 1,446,800 by 1980, a difference of 135,800.

Over 76 percent of the State's entire population is concentrated in the "Wasatch front," the industrial counties of Salt Lake, Utah, Davis, and Weber, with over 44 percent living in Salt Lake County alone. Population projections based on the scientific studies by the bureau of economic and business research show that in little over 50 years, by the year 2020, the State will have a total population of 2,675,000, an increase of over 265 percent. Of that number, 1,310,000, or nearly 49 percent, will be located in Salt Lake County, with Weber, Davis, and Utah Counties each containing over 11 percent of the State's total population. That is, provided water is available for municipal and industrial growth—water which must be provided by the central Utah project now under construction with additional and essential authorizations provided by this bill.

ECONOMIC AND INDUSTRIAL GROWTH OF SALT LAKE COUNTY AND THE WASATCH FRONT

Studies based on official data from the U.S. Census Bureau show that Wasatch front counties which make up the intermountain West's major urban and industrial center, are also experiencing phenomenal economic and industrial growth, a growth which will be stopped in the absence of newly developed water supplies from the Colorado River.

Among the major standard metropolitan areas of the Nation, during the decade 1954-63, this area ranked: sixth in percent increase—64 percent—in employees in manufacturing, eighth in percent increase—70.6 percent—in growth of retail sales, 10th in percent increase—54.9 percent—in value added by manufacturing, 16th in percent increase—93.1 percent—in effective buying income, 19th in percent increase—40.4 percent—in service receipts, and 28th in percent increase—23.7 percent—in wholesale sales.

The National Planning Associates economic and demographic projections for 224 metropolitan areas predict that between 1962 and 1975, the total civilian employment of the Wasatch front area will increase at an average annual rate of 2.9 percent, compared with 1.8 percent for the United States, and 2.2 percent for the Mountain States. During the same period, personal income is expected to increase by 4.7 percent annually in the Wasatch front area, compared to 4.2 percent for the United States, and 4.6 percent for the Mountain States.

In Salt Lake County alone, total employment has increased from 119,350 jobs in 1952 to 179,670 in 1965. The University of Utah Bureau of Economic and Business Research, in its population projections for Utah and Utah's counties, noted of Salt Lake County:

The explanation for the county's growth in population is economic opportunity. To illustrate, in the postwar period of 1952 to 1960, employment in the Salt Lake Metropolitan area increased at an average annual rate of 3.5 percent as against a growth rate for the state as a whole of only 2.2 percent for this period. With the exception of agriculture, which lost jobs in the 1952 to 1965 base period, and mining, which held fairly constant, all other categories had increasing employment. The most rapidly growing cate-

gories were manufacturing, services, finance, trade and government.

Salt Lake County's total personal income has risen from \$544 million in 1954 to \$1.3 billion in 1966. Wholesale and retail trade in 1965 accounted for over 22 percent of the wage and salary receipts in the county, while manufacturing accounted for over 19 percent; government, 17 percent; and services, 11 percent. Total personal income for Utah as a whole was \$2.5 billion in 1966. Government accounted for over 30 percent of wage and salary receipts for the entire State, with manufacturing accounting for nearly 19 percent; wholesale and retail trade, 17 percent; and services, 10 percent.

The Wasatch front area is a leading steel-producing center in the West, with plants operated by the Geneva division of the United States Steel Corp. It is also the center of the largest nonferrous smelting area in the country, producing copper, gold, silver, lead, zinc, coal, salt, and other valuable metals and minerals. Oil, first discovered in Utah 20 years ago, has led to extensive oil and gas exploration in the area, and Salt Lake City is the refining center for major markets in the intermountain West.

The area is also home of large-scale defense-related activities, including Boeing Aircraft, Thiokol Chemical Corp., Litton Industries, Sperry, Hercules, Inc., and Montek. The Univac Computer Division of Sperry-Rand Corp. has announced its intention to establish a major computer production facility in the area. Additionally, Salt Lake County has been selected as one of 10 proposed site locations for the Sentinel missile system, which would employ between 400 and 700 persons. Military activities already established in the area include Hill Air Force Base, Tooele Army Depot, Defense Depot Ogden, and Dugway Proving Ground.

Salt Lake metropolitan areas rank sixth with other major metropolitan areas in percent of growth in employees in manufacturing.

Rank, city, and increase, 1954 to 1963

	Percent
1. Anaheim, Santa Ana, Garden Grove, Calif.....	513.3
2. San Jose, Calif.....	233.5
3. Sacramento, Calif.....	161.5
4. Phoenix, Ariz.....	159.5
5. Miami, Fla.....	77.8
6. Salt Lake City, Utah.....	64.0
7. Washington, D.C.....	63.2
8. Denver, Colo.....	61.3
9. Tampa, St. Petersburg, Fla.....	60.3
10. San Bernardino, Riverside, Ontario, Calif.....	57.3

Salt Lake metropolitan areas rank 10th with other major metropolitan areas in percent of growth in value of manufacture.

Rank, city, and increase 1954 to 1963

	Percent
1. Anaheim, Santa Ana, Garden Grove, Calif.....	280.3
2. Phoenix Ariz.....	91.2
3. San Jose, Calif.....	88.1
4. Sacramento, Calif.....	80.7
5. Tampa, St. Petersburg, Fla.....	72.5
6. Washington, D.C.....	68.3
7. Denver, Colo.....	65.2
8. Atlanta, Ga.....	60.3
9. San Bernardino, Riverside, Ontario, Calif.....	58.9
10. Salt Lake City, Utah.....	54.9

Salt Lake metropolitan areas rank 8th with other major metropolitan areas in percent growth in retail sales.

Rank, city, and increase 1954 to 1963

	Percent
1. Anaheim, Santa Ana, Garden Grove, Calif.....	293.3
2. San Jose, Calif.....	163.4
3. Phoenix, Ariz.....	130.3
4. San Bernardino, Riverside, Ontario, Calif.....	107.0
5. Sacramento, Calif.....	91.8
6. Tampa, St. Petersburg, Fla.....	88.9
7. San Diego, Calif.....	75.8
8. Salt Lake City, Utah.....	70.6
9. Washington, D.C.....	67.9
10. Miami, Fla.....	66.5

PRESENT WATER SUPPLIES AND FUTURE NEEDS FOR SALT LAKE COUNTY

The U.S. Army Corps of Engineers, in a report on the Little Dell flood control project now pending authorization by Congress, noted:

Provision of an adequate municipal water supply to keep pace with the rapidly expanding population of Salt Lake City and its environs has been a continuing problem since the founding of the city in 1847. The supply available from convenient and inexpensive sources already has been developed. Supplemental supplies have become progressively more expensive owing to the necessary costs for storage, conveyance and treatment. The most recent substantial addition to the supply was obtained from the Federal Provo River Project by means of the 42-mile Salt Lake aqueduct completed in 1950. According to data available from the Metropolitan Water District of Salt Lake City, the domestic water requirements in the service area of that district will exceed the presently developed firm supply by about the year 1970. The predicted future requirements were based upon the rate of population growth in the service area, and a future average daily rate of water consumption of 220 gallons per capita. Further, there are some areas adjacent to the city, not presently serviced by the Metropolitan Water District, in which an urgent need for domestic water already exists.

The present dependable water supply for the area served by the metropolitan water district of Salt Lake City from existing sources is 93,600 acre-feet annually. Runoff from creeks accounts for 62 percent of the total supply, while water from Deer Creek Reservoir via the Salt Lake aqueduct accounts for 23 percent. The remaining 15 percent is obtained from wells and springs.

The annual water demand for the 368,000 persons presently served by the metropolitan water district is 88,300 acre-feet per year. Based on estimates contained in the Corps of Engineers report, shortages will begin to exist in 1971, when the population in the service area reaches 410,000. The annual water demand at that time is estimated to be 98,400 acre-feet, exceeding the existing supply by 4,800 acre-feet. As the population grows the shortage will continue to increase until by 1985, when the population in the service area reaches 575,000, an additional 44,400 acre-feet annually will be required just to meet human needs.

An independent study conducted for the metropolitan water district by Berger Associates, Inc., a consulting engineering firm in Salt Lake City, noted in a 1964 report:

Irrespective of whether the (population) forecast may be too high or too low, it is now apparent that an additional water supply

for the Salt Lake Metropolitan Area will be needed by 1970 or possibly before that time. It is also apparent that the development of new sources of supply will continue to be needed at eight to fifteen year intervals after 1970—depending on the rate of population growth and the amount of water obtained from each new source of supply.

It should be noted at this point that the population estimates used in the 1964 study projected a population of 1,160,000 persons in Salt Lake County by the year 2020. The most recent projections by the Bureau of Economic and Business Research, University of Utah, estimates a population in Salt Lake County of 1,310,000 by the year 2020, or 150,000 more than the figure on which the Berger report was based.

PRESENT AND FUTURE WATER DEMAND

Calendar year	Population, Salt Lake City metropolitan water service area	Annual water demand (acre-feet)	Dependable water supply from existing sources (acre-feet)	Additional water required (acre-feet)
1960----	277,000	66,500	93,600	0
1961----	285,000	68,400	93,600	0
1962----	292,000	70,100	93,600	0
1963----	300,000	72,000	93,600	0
1964----	310,000	74,400	93,600	0
1965----	323,000	77,500	93,600	0
1966----	337,000	80,900	93,600	0
1967----	352,000	84,400	93,600	0
1968----	368,000	88,300	93,600	0
1969----	380,000	91,200	93,600	0
1970----	390,000	93,600	93,600	0
1971----	410,000	98,400	93,600	4,800
1972----	422,000	101,300	93,600	7,700
1973----	432,000	103,700	93,600	10,100
1974----	442,000	106,100	93,600	12,500
1975----	454,000	109,000	93,600	15,400
1976----	465,000	111,600	93,600	18,000
1977----	478,000	114,700	93,600	21,100
1978----	491,000	117,800	93,600	24,200
1979----	505,000	121,200	93,600	27,600
1980----	520,000	124,800	93,600	31,200
1981----	530,000	127,200	93,600	33,600
1982----	540,000	129,600	93,600	36,000
1983----	550,000	132,000	93,600	38,400
1984----	562,000	134,900	93,600	41,300
1985----	575,000	138,000	93,600	44,400

Source: U.S. Army Corps of Engineers.

Another study conducted by the U.S. Bureau of Reclamation in November 1967, shows that presently developed water supplies for all of Salt Lake County, including areas served by the Salt Lake Metropolitan Water District, the Salt Lake County Water Conservancy District, and smaller independent systems and wells is about 249,000 acre-feet annually. Authorities agree that by 1970, present supplies will become inadequate.

Estimates for municipal and industrial water for the entire county are contained in the following table prepared by the Bureau of Reclamation:

Year	Population	Industrial water required (acre-feet)	Municipal water required (acre-feet)	Total (acre-feet)
1960----	383,000	117,000	77,000	194,000
1980----	704,000	200,000	166,000	366,000
2000----	1,044,000	322,000	275,000	597,000
2020----	1,406,000	455,000	394,000	849,000

The Bureau's report stated:

The studies showed that the present water supply and existing facilities are adequate to meet the demands of Salt Lake County until 1969. Additional supplies would need to be developed to meet needs beyond that time.

The Bureau estimated that new developments already planned, including delivery of water to Salt Lake County from the Bonneville unit of the central Utah project beginning in 1972, some increased use of ground water, construction of local storage reservoirs to retain flood waters, and a gradual conversion of irrigation water to municipal and industrial purposes could meet the municipal water needs of the county up to the year 1966 and the industrial needs to the year 2016. Maximum supply from the Bonneville unit is dependent upon orderly development of the ultimate plan of the central Utah project, the first unit of which is authorized by this bill.

Water needs beyond that time depend on a completed and fully operable central Utah project, which, when completed, would allow Utah to divert water from the sparsely populated eastern borders of the State to the teeming Wasatch front area for municipal and industrial uses.

Utah currently uses about 6 million acre-feet of water annually from its main sources, including the Colorado River, of which the State presently uses about 34 percent of its compact entitlement, the Bear River, Wasatch Mountain watersheds, the Virgin River and other minor streams, and underground water supplies. A report by the Utah Division of Water Resources to the Coordinating Council on Natural Resources stated:

If the State of Utah were to irrigate all of the arable lands, meet expected municipal and industrial uses, and supply water for fish and wildlife, over 14 million acre feet of water would be required annually.

It is considered probable that substantially more water could be put to beneficial and economic uses than will be available in the reasonably foreseeable future.

If Utah were able to put to beneficial use its entire compact entitlement of 1.7 million acre-feet, assuming a full supply in the river, the State would still be far short of its needs and potential.

That startling fact underscores the importance of reclamation development in the second most arid State in the United States, and the vital role which a completed central Utah project plays in that development. A completed central Utah project and related facilities will ultimately allow Utah to put to beneficial use its full share of the Colorado River, which experts agree is essential to support the expected growth in population and the economy of the area.

DIXIE PROJECT

Title III, section 307, of H.R. 3300 reauthorizes the Dixie project in southwestern Utah and provides for its financial integration into the Colorado River Basin project. The Dixie was originally authorized for construction under Public Law 88-565, approved September 2, 1964. Following that authorization, detailed studies of the original reservoir site unexpectedly revealed the probability of excessive reservoir leakage which would require extremely costly treatment of the subsurface to correct. The subsequent search for another damsite resulted in selection of a site about 15 miles downstream.

However, the change required considerable modification of project facilities,

including the elimination of power development as a feature. Without power revenues, which would have provided revenues to assist in repayment of the costs of the project, the Dixie's financial status has been changed, and it now requires financial assistance from the lower basin fund as provided in H.R. 3300.

The Dixie project would collect surplus flows of the Virgin River, which forms a part of the Lower Colorado River Basin as defined by the Colorado River Compact. The Virgin River is an interstate stream which drains an area of 6,000 square miles, of which 2,900 square miles are in Utah, 1,100 square miles are in Nevada, and some 2,000 square miles are in Arizona. Waters collected by the Virgin River empty into Lake Mead.

The Dixie project, which would be constructed at a total cost of \$58 million, would consist of a Virgin River dam and 256,200 acre-foot reservoir, a hurricane diversion dam to divert unregulated riverflow to the LaVerkin Canal, and the enlarged Hurricane Canal, and the Washington Fields Canal system and the Washington-Ivans Canal system, which will receive water from the Virgin River Reservoir. The primary purpose of the plan would be to supply 45,400 acre-feet of irrigation water from the Virgin River to 6,900 acres of new lands to be irrigated in the area and supply supplemental irrigation water to 10,004 acres presently irrigated from the Virgin and Santa Clara Rivers. The plan also provides from 5,000 acre-feet of water to meet municipal and industrial requirements of the city of St. George, Utah, which is expected to quadruple its population between 1965 and 2025. The project would also benefit Cedar City, Utah, by permitting an average 5,500 acre-foot upstream diversion to meet expected growth in that area.

The reservoir would also provide flood control benefits, salinity control benefits, and recreation and fish and wildlife benefits.

The Dixie project area is located about 320 miles southwest of Salt Lake City, Utah. The project area would extend about 25 miles up the Virgin River from St. George, almost to Virgin City near the southwest corner of Zion National Park. It extends up the Santa Clara River from its confluence with the Virgin River near St. George to within 5 miles of Gunlock, Utah.

The Dixie project receives its name from that part of the Virgin River Valley known as the Dixie of Utah, due to its comparatively mild climate and because cotton was grown there when it was first settled. Climate of the area is characterized by a small amount of precipitation, short mild winters, an abundance of sunshine, long summers, and a long growing season. The mean annual precipitation in the highest parts of the drainage basin amounts to 25 to 30 inches and provides most of the water presently used for irrigation. The average annual precipitation of 7.74 inches occurs mostly as rainfall, with 3.52 inches of this amount received during the growing season. The mean annual temperature is 61.2 degrees.

The area was first settled by Mormon missionaries about 1852. St. George,

which is now the county seat and largest town with a population in 1960 of 5,130, was established in 1861. Agriculture is the most important industry in the area, although tourist services has been growing in recent years due to the fact that St. George is located on U.S. Highway 91, the major route from Salt Lake City to Las Vegas and Los Angeles.

Land in the general area is used primarily for grazing of livestock, with a small amount of dryland wheat farming and irrigated farming. Crops of the area include small grains, fruits, vegetables, and sugar beet seed. Of the 10,004 acres of irrigated acreage in the area, about 90 percent is used for feed and forage, 8 percent for fruit, truck, and other specialty crops, and 2 percent is idle.

LOCAL EFFORT

Though small as most reclamation projects go, the Dixie project is nonetheless vital to the economy of southwestern Utah. Local support for an irrigation project has been very active since the early 1930's. The Washington County Water Conservancy District was created especially to contract with the Federal Government for the Dixie project, and special legislation was passed by the Utah State Legislature to enable the district to levy an ad valorem tax of up to 5 mills to assist in the repayment of project costs. Moneys derived from this tax will contribute more than \$6.6 million toward repayment of the project costs. In recent years, an increased emphasis has been placed on the need for municipal and industrial water for St. George and Cedar City, and the city of St. George has expressed a desire to purchase water from the project and expressed its willingness to enter into a formal contract.

SUMMARY

The lands to which the project will bring water are fertile. These new and developed lands in a semitropical climate will help feed the exploding populations of Nevada and southern California to which this area is very near. And very significantly to me, we will be creating new and permanent wealth, new and permanent jobs—basic to a truly healthy economy and certainly preferable to artificial make-work and temporary employment which Government handout represents in so many other areas of Federal expenditure. This all hinges on having a predictable and regulated water supply.

The public benefits and desirability of the Dixie project have already passed the careful scrutiny of the Congress. The need for the Dixie project was realized then, and that need is no less today. Therefore, I urge that this important project be approved. Let me emphasize to you who represent the water-starved States of California and Arizona that the Dixie project will take from the Colorado River less than one-tenth of 1 percent of the water supply of Lake Mead.

In conclusion I wish to pay a personal tribute to the distinguished chairman of the committee, Chairman ASPINALL, to my colleague LAURENCE J. BURTON of Utah, a member of the committee and the subcommittee who has championed the Utah cause in committee and on the floor and to the others of the majority of

the committee who after long months have produced a bill, not completely satisfactory in every respect to any single State, but a bill which most nearly respects the needs and justifiable development of the water resources of the Colorado River consistent with the real but delicate balance of equities among the affected States.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentlewoman from Washington [Mrs. MAY].

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mrs. MAY. Mr. Chairman, I have tried to listen to today's debate with an open mind. And I must say I appreciate the difficult position expressed by the proponents of H.R. 3300. I appreciate their position because if you dig deep enough, you will find a basically good piece of legislation embodied in this bill.

The provisions which I feel have merit, and have had merit for a good long time, are those which would authorize the CAP, the central Arizona project.

Here is a project which I feel merits an affirmative response from the Congress. It is a project which has been pending consideration for many, many years. It is a project which has received the blessings of the Senate, and which, rightfully, should be the project before us today.

It is unfortunate that the central Arizona project has once again found itself smothered in a bill which embodies this proposal only as an incidental, which, in effect, buries the central Arizona project in a sea of confusion by building onto it appendages which have no business being there.

Mr. Chairman, soon this House and all of its Members will have up for consideration a conference report which calls for an increase in personal income taxes for nearly every taxpayer. This same bill will call for a reduction in Federal spending to the tune of \$6 billion. Now both the 10-percent surcharge on income tax, and the reduction in spending of \$6 billion is a considerable amount of money. But even \$6 billion would appear to be but a drop in the bucket compared to what we are being asked to spend—and make no mistake about it—spend, this afternoon.

The story is told, and it well could turn into a nightmare to haunt every Member of this body, on pages 162 and 163 of the committee report on H.R. 3300.

We are being asked, Mr. Chairman, to commit the people—the taxpayers—of the United States to spend almost \$19 billion—I said billion dollars—to authorize what is depicted as the central Arizona project with a "little trimming."

What I am saying is that the CAP, the central Arizona project, all by itself, would cost in the neighborhood of \$1,400,000,000. In these days of financial crisis, this is a lot of money. Yet I believe this expenditure would be justified.

But \$19 billion? For what?

First of all, let us look at just how large \$19 billion is in terms of reclamation. The entire Federal investment in all of the reclamation facilities constructed in the United States since 1902, and this includes Grand Coulee Dam,

Hoover Dam, the Colorado River storage project, the Central Valley project, the Missouri River Basin project, and all the rest, amounts to only \$5½ billion. This afternoon, all in one vote, Mr. Chairman, we are being asked to give our blessing to a bill that could ultimately cost something in the neighborhood of \$19 billion.

What are these appendages that have been built onto this house of cards that we are told is so delicately balanced?

Mainly, they are two.

The first is an authorization and directive—if you please—to the Secretary of the Interior to undertake immediate reconnaissance and feasibility studies leading to the construction of facilities to import to the Southwest millions of acre-feet of water from the major river basins of other regions of the Nation.

What is wrong with that?

Several things are very wrong with that. First, I know something about procedures followed in congressional authorization of projects carried out by the Secretary of the Interior or the Corps of Engineers. Congress does not authorize at the same time both a reconnaissance study and a feasibility study. Congress authorizes a reconnaissance study first. Then Congress looks at the reconnaissance study. It looks at the expected cost. It looks at the expected benefits. It looks at the plans. It decides whether the project shows enough promise to authorize a feasibility study. And only then, Mr. Chairman, does Congress take the next step, the authorization of a full-scale feasibility study.

Yet, this afternoon, we are being asked to forfeit that second vote. We are being asked to pass a bill which would allow the Secretary of the Interior to make a decision which under normal and usual circumstances is reserved only to the Congress of the United States. We are saying to the Secretary, you cast each and every vote in the House of Representatives and the Senate—unanimously—for a feasibility study of importation of millions of acre-feet of water from one or more major river basins to the Colorado River Basin.

I can only assume, Mr. Chairman, that Members who represent constituents from the Columbia River Basin, the Missouri River Basin, the Mississippi River Basin, and the Arkansas River Basin, would not wish to forfeit congressional privilege and responsibility in saying to the Secretary of the Interior, "You cast my vote for me, Mr. Secretary. Be my guest." I happen to represent a congressional district in the Columbia River Basin, in the Pacific Northwest. This is one of the fastest growing regions in the United States. The population has doubled since 1937, from 3 to 6 million persons. Our water resources potential has been estimated to have been developed, so far, to only 10 percent of its potential. I do not want to have the Secretary of the Interior cast my vote for me on the question of diverting the Columbia River from its bed to another river basin. I want to be able to cast that vote myself. And I should think Representatives of the Missouri River Basin, the Mississippi River Basin, and the Arkansas River Basin, would feel exactly as I do. The

proponents of the appendages to this bill say they do not know where the water they intend to divert will come from. Beware, my colleagues, it could be from you.

The second thing wrong with this forfeiture of the opportunity to vote on a specific plan is that regardless of what kind of plan the Secretary of the Interior draws up, it is unnecessary to the success or operation of the central Arizona project. The simple fact is that the central Arizona project does not require diversion of water from any other river basin. We are being asked to buy, sight unseen, a fantastically expensive scheme, we are being asked to give up our individual votes with regard to it after the plan is revealed, all in the name of a project which does not need it.

The second appendage to this bill which gives me concern is found, like the first appendage, in title II. This appendage amounts to a congressional commitment to develop sources of water to provide, at taxpayer expense and at completely unknown cost, all of the water Mexico is entitled to receive under rights which have been confirmed by the Mexican Water Treaty. Let us not be confused about this section of the bill.

At first glance, some may think that this section deals with an obligation on the part of the United States to a foreign power. Not so. This section would oblige the taxpayers of the United States, not to provide a certain amount of water to Mexico, but would commit the people of the United States to replace the water that is naturally flowing to Mexico, by a like amount of water from nobody knows where.

Who, then, would benefit? Arizona? No. California? Yes. And several other Southwest States. As the proponents have stated, this is a delicately structured compromise. The fact is that every one of the seven States of the Colorado River Basin, has its specific wants, and none will support the other unless each gets those wants out of the deal.

But look who pays for this scheme that is so cleverly tied up in a package that is labeled, "Foreign affairs—keep hands off." Footing the bill—to the tune of almost \$19 billion—will be Mr. and Mrs. Taxpayer, U.S.A. The same Mr. and Mrs. Taxpayer who are being asked to dig down deep to come up with a 10-percent income tax surcharge. The same Mr. and Mrs. Taxpayer who are going to feel the pinch of Federal belt tightening when the effects of budget cutting hit them.

Now, Mr. Chairman, if either of these provisions of title II were urgent or absolutely necessary, that would be one thing. But they are not. The proponents of these appendages to H.R. 3300 admit, in the majority report, that "a full water supply—1,200,000 acre-feet—can reasonably be expected for the central Arizona project until some time during the decade 1985-95." There is no crisis on the Colorado, Mr. Chairman. There is not even a problem which requires a solution or a decision at this time.

Quite frankly, it is my suspicion that the only real reason these appendages are on the bill is that the proponents are afraid that by themselves, these appendages simply could not stand up.

Well, if that is their worry, so be it. But certainly, we of this body should not be asked to approve a bill that is so delicately contrived that the least little alteration will jeopardize the arrangement.

Any project that cannot stand by itself, and stand tall, Mr. Chairman, needs to be critically examined on its merits. I have attempted to do this, and have found that an unencumbered central Arizona project can stand all by itself. It's a good project.

But these other appendages cannot stand by themselves because they are not; at this time, justified.

I intend to support amendments to delete these two provisions; the directive to the Secretary of the Interior to undertake immediate reconnaissance and feasibility studies on water importation to the Southwest, and the national commitment to pay untold billions of dollars to replace Mexican treaty water from an unknown source. If these two provisions are removed, I am prepared to support the central Arizona project with all of the vigor at my command.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. DELLENBACK].

(Mr. DELLENBACK asked and was given permission to revise and extend his remarks.)

Mr. DELLENBACK. Mr. Chairman, my respect for a number of my colleagues on both sides of the aisle who have stood before us today in support of H.R. 3300 is sufficiently high that I thought hard before asking for this time in which to express my own concerns about this measure. The gentleman from Arizona [Mr. UDALL] who, in my opinion, is one of the most able debaters in this body, has very eloquently argued that the provision of this bill which relates to the Mexican Treaty obligation merely amounts to a simple little sense-of-Congress resolution, a declaration of congressional good faith, a declaration that impliedly could very well not cost anybody anything.

The argument is made that a feasibility study will now be made, and only when the results of that study are known will the Congress be asked to approve any actual expenditure of funds.

The point that is lost sight of as this fast shuffle of words takes place is that this declaration of congressional intent would lay the groundwork for the feasibility study. Having made certain by this bill that a major share of the costs involved in this whole project would be considered a Federal obligation, non-reimbursable, the results of any feasibility study made thereafter would be skewed and to a very significant degree predetermined.

If this declaration is really unimportant, then let it wait. But if it is in truth of the major significance we feel it to be, then it is in fact an improper putting of the cart before the horse and should by no means be the action of this Congress.

The further argument is made that we are dealing only with 2½ million acre-feet of water. Each of us knows that the ultimate amount of water is extremely likely to be much, much more than that amount. Once the sluice gate is open, the trickle will become a torrent. Maybe it

should. But let us not delude ourselves. Let us proceed in a normal and proper fashion. Let us first make the proper, normal reconnaissance study. Let that study deal with the full real possibilities. Then, and only then, should we face the question of proceeding with the feasibility study.

The concerns of the Members of this body from both the upper basin and the lower basin are sincere and deserving of careful attention. But a matter of the importance here dealt with should not be hastily or peculiarly handled. It is not the type of project which should be handled by legislation held together by adhesive tape or string, or fear that sound amendments will remove quid pro quos or cause a collapse of support.

Admittedly we of the Pacific Northwest are apprehensive about this bill. In spite of the fact that the feasibility study called for by this legislation could well embrace other possibilities than diversion of water from the Columbia River, the remarks which have been made on this floor here today by a number of the proponents of this bill make clear that such diversion is at least one of the possibilities, and most likely the most seriously considered possibility, in the minds of these proponents.

I join in support of the central Arizona project. But at the same time I object strongly on behalf of the people of Oregon to the passage of H.R. 3300 in its present form. I urge the Members of the House to join in support of amendments which will be offered to eliminate the Mexican Treaty obligation provisions and the precipitant feasibility study provisions.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. DELLENBACK. I yield to the gentleman from California.

Mr. HOSMER. The Columbia River Treaty of 1964 settling a dispute between the United States and Canada provided some rather hefty payments by the United States to Canada for certain assumed benefits. Does the gentleman argue with that kind of principle with respect to a formal treaty arrangement between a couple of countries?

Mr. DELLENBACK. May I say to my good friend from California that the thing to which I object is a predetermination of what the feasibility studies should show. If we come out of a feasibility study, as happens with every public works project, with a calculation of benefits, and at that time it is properly determined that some benefits are non-reimbursable and some benefits are reimbursable, I do not object for a moment to the fact that some benefits are properly then considered the obligation of the United States and that they are borne on a nonreimbursable basis.

The thing that seems to me eminently irresponsible is this—

Mr. HOSMER. Did not the United States give this treaty to Mexico, and is it not on the United States of America and should not the United States of America have to make good on it?

Mr. DELLENBACK. Is the gentleman asking me or is he stating what his opinion is?

Mr. HOSMER. I am asking the gentleman.

Mr. DELLENBACK. My answer to that is no. That treaty merely recognized the rights of the respective nations and States in the waters of the Colorado River. It did not create an obligation on the part of this Nation to assume a massive financial obligation in unknown amount under the incorrect label of making good on a treaty.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. WAGGONNER].

Mr. WAGGONNER. Mr. Chairman, some might raise the question why a Member of the House of Representatives from the State of Louisiana would want to take part in the debate which occurs here today, when we have the colloquy that we have had between the Southwestern part of the United States and the Northwestern part of the United States. But it might just be possible that some are having a little bit of trouble seeing the forest for the trees. I have no axe to grind, I have no motive except to fulfill the responsibility which is mine as a Member of the U.S. Congress.

We have heard the quotation referred to on a number of occasions, but believe me, here over the Speaker's desk is a very significant statement by Daniel Webster, a statement which says:

Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests—

And then there are other words which are much the same, but challenge us a little bit further—

and see whether we also in our day and generation may not perform something worthy to be remembered.

That is the creed of a conservationist, and I am a conservationist. It is significant to me, as I have listened to those from the Northwest and the Southwest discuss the merits and supposedly the demerits of this Colorado River Basin project, that no one has said there is not in the southwestern part of the United States a need for more water. So, if we begin by admitting that the southwestern part of the United States needs more water, what is there to argue about except how and when we are going to do it?

The gentleman from Florida [Mr. HALEY], said that the water available presently in the Colorado River, in the mainstream of the Colorado River, fell by 3½ million acre-feet per year, I believe the gentleman said, short of the present needs.

This occurs, I am told, because engineers years ago made a mistake—as engineers make, and as everybody makes—and overestimated the amount of water available for the southwestern part of the United States and Mexico through one agreement, one compact, one treaty or the other. But the fact is we have agreements, we have compacts, and we have treaties. If we admit that they need water, how do we fulfill our responsibility to those compacts, those agreements, and those treaties?

Would my friend from Florida like me to yield?

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Florida.

Mr. HALEY. Mr. Chairman, I think the gentleman either misunderstood what I said or is misquoting what I said. The availability of the acre-feet of this water in the Colorado River was known as far back as 1906 and right up through 1967. I make the statement that the people who entered into this compact knew those figures and knew they were over-appportioning the water that was in the river.

Mr. WAGGONNER. But if the gentleman will allow me to ask one question, he does not take the position there is not a shortage of water in the southwestern part of the United States?

Mr. HALEY. I do not. My main thrust or my main argument is that there is a water shortage. We are going to have to go somewhere to get it. Why not find out what it is going to cost to bring that water, because three and a half, or two and a half million acre-feet is not even going to begin to meet the needs of the southwestern part of the United States in a few years to come.

It will be closer to 8 million acre-feet, and the cost will be perhaps \$25 billion or \$30 billion.

Mr. WAGGONNER. I will speak to that in just a moment.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I am happy to yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Of course, what the gentleman from Florida stated is exactly our version of what title II would do. It would allow studies to be made to determine what the needs are, where the surpluses are, and where the augmentation would come from.

Mr. WAGGONNER. If we can agree here as Members of the House today that we need more water in the southwestern part of the United States—or, for that matter, anywhere in the United States—and we recognize that need, what obligation do we have to ourselves and to future generations? The answer is simple. We have the obligation to try to provide that necessity. Future generations will remember us for it. And, truthfully speaking, we would all support this project if we lived in this area.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. ASPINALL. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WAGGONNER. Mr. Chairman, this project, the central Arizona project, I am told, is going to cost \$779 million. Eighty-six percent of that will be repaid. The five projects in the upper reaches, in the upper basin, will cost \$391 million. This is a lot of money but on the overall, 90 percent of this money is going to be repaid, not just 86 percent.

The overall cost-benefit ratio, within 50 years, for this project is 2.1 to 1, for future generations of Americans. There is not anything wrong with that.

Some people are trying to make a scapegoat of the people of Arizona. There are six other States involved, and they have some benefits to be accomplished from this project as well.

We have an obligation, whether we like it or not, to the Mexican people. We have entered into a treaty with Mexico, to be honored by the U.S. Government. We are a part of that treaty. We pledged them 1½ million acre-feet of water a year. I believe we ought to fulfill that obligation.

What else are we going to do other than to authorize the central Arizona project? We are merely going to authorize a feasibility study to see if other water is available and if we can bring more water in. If we can, we will determine from where and whether or not it, too will result in a cost-benefit ratio we can justify and live with. If we can, as the gentleman from Washington [Mr. FOLEY] suggested earlier, then I am sure the request will come back to this Congress to put up some money to bring that water in. If it has a favorable cost-benefit ratio and the shortage still exists, then I, as an interested American, interested in the future needs for water as well as the present-day needs, for all these United States, will support such a proposal.

But this legislation does not authorize anything except a study. The Congress, whether we are Members of it in future years or not, will make a determination then about whether we should go forward to augment the then existing supply.

I believe this project is just. It is fair. It is equitable. It needs and deserves our support.

The CHAIRMAN. The time of the gentleman from Louisiana has again expired.

Mr. SAYLOR. I should like to have the attention of the gentleman from Louisiana. I should like to yield him 2 minutes, and I wish to tell him that I commend him for his statement on this bill.

I believe what the gentleman must understand is that everyone has said he is in favor of these projects. The only thing is that we are duplicating what is already in the law.

In the 89th Congress we passed the Water Resources Planning Act. There is already in existence a Commission which will do the work which is to be duplicated in this bill.

This is the objection of the people of the Pacific Northwest. This is the objection I have to the bill. It is not that the projects to be authorized would not do just what the gentleman said.

Mr. WAGGONNER. Would the gentleman answer a question for me?

The gentleman does not take the position, as some would like to indicate—and I do not believe any Member of the House believes—that this legislation actually would authorize the construction of any further addition to this project which is not included, after the feasibility study?

Mr. SAYLOR. That is correct.

Mr. WAGGONNER. Then can the gentleman tell me what there is to lose by a feasibility study and determining this? If we have a 3½ million acre-foot shortage of water in that part of the United States now, what is wrong with finding out whether a favorable cost-benefit ratio can be obtained and whether we can find water somewhere to help these people without depriving others.

Mr. SAYLOR. All I can say is that there is already in existence the mechanics to get just what they have asked for. This House has already passed and sent over to the Senate a National Water Commission bill.

If the Senate will just pass that, that will be another thing which would indicate that this is not needed.

Mr. WAGGONNER. But the gentleman will recall the debate when this commission was created and there was consideration given to that legislation at that time, here on the floor on that day, which pointed out the functions of that commission which could be in itself a duplication of the already existing water Resources Council. Is that correct?

Mr. SAYLOR. The gentleman is correct. The gentleman from Colorado is one of those who worked that out.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASPINALL. Mr. Chairman, I yield the gentleman 1 additional minute and ask the gentleman if he will yield to me.

Mr. WAGGONNER. I will be glad to yield to the chairman of the committee.

Mr. ASPINALL. Of course, this is not exactly directly in point, and I can tell my colleagues who have followed my recommendations and suggestions so many times in the past that the National Water Commission study bill will not do the job that this bill does, and neither does the act referred to by my good friend from Pennsylvania [Mr. SAYLOR]. This highlights the necessity for this particular study. That is the reason why it is placed in this legislation, so that we do not get lost in a maze of general activities of some of the other commissions.

Mr. WAGGONNER. I have to agree with the gentleman from Colorado in that respect.

Mr. ASPINALL. Thank you.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from Idaho [Mr. McCLURE].

(Mr. McCLURE asked and was given permission to revise and extend his remarks.)

Mr. McCLURE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I take this time, not to repeat all of the arguments that have been made, but to underscore some of the arguments that have been made on the floor today. I will not open my remarks by making eulogies to our chairman and to the members of the committee, because it has been my experience in the short while that I have served here that those eulogies are followed by condemnations and generally you build up a man so you can let him down.

I think one thing that must be taken into consideration here, and which was totally missed in the last remarks made before this body, is the distinction between reconnaissance surveys and feasibility studies. This Congress and this committee from which this bill has come to the floor found that the authorizations and the practices being followed in making feasibility studies without prior authorization by the Congress were leading to unwise legislation and building up pressures here in this body when the study was brought forward to the com-

mittee and this body. Because of this the Bureau of the Budget and this committee, the Committee on Interior and Insular Affairs, have adopted the procedures which have been followed in every instance, to my knowledge, save this one, since they have been adopted, of requiring that the reconnaissance study be made first and then the Congress pass on that reconnaissance study and is asked to authorize a specific feasibility study. Why, then, are we departing from that sound plan in this instance? It has been suggested here this afternoon, only once to my knowledge, that we are duplicating the studies which will be required of the National Water Commission, an act which has already passed this House of Representatives. The National Water Commission is charged with the responsibility of looking at all of the water resources of this country, not just one area, one region, or just the relationship between two river basins. It is said that we are not pointing a finger at the Columbia River Basin, and this water augmentation for the Colorado River might come from weather modification, desalinization, and from the Missouri River or the Mississippi River or from Canada. If this is exactly what is meant by the people who have said that, then how can they say that the National Water Commission study is not necessary to put this into the context of the overall national needs for water in the future of this country? They say also that this is no threat to the Pacific Northwest and that there will be no demand made upon any river or any river basin which does not have a surplus of water. I call to the attention of my colleagues the fact that repeatedly out of the State of California we are faced with threats and continuing proposals are made to come to the State of Idaho and divert water from the Snake River Basin.

Mr. Chairman, the Snake River Basin is a potentially water-deficient area at the present time. We have within the Snake River Basin still to develop 6 million to 12 million acres of ground. In short water years there has been no water spilled past Milner Dam, the midpoint in that basin.

Mr. Chairman, faced with these threats and faced with this continuing pressure from people outside our basin aimed directly at a river which is already water short, how can we be asked to take on faith alone the fact that there will not be further threats made from other sources?

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. McCLURE. I yield to the gentleman from California.

Mr. HOSMER. This is not authorizing a study, but if the gentleman says there isn't any water in his river, it is perfectly obvious that no one is going to get any water out of it.

Mr. McCLURE. Unless it may be the people of the State of California, because that has been the history in the past with reference to water resources.

Mr. HOSMER. This Columbia River is not the only place that is looked at. I think other rivers are looked at from the standpoint of possible water resource.

Mr. McCLURE. Mr. Chairman, I decline to yield further to the gentleman from California.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. McCLURE. I yield to the gentleman from Washington.

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. Mr. Chairman, is it not true that the objection in the Northwest goes not to studies as such, but rather to breaking of the tradition of the Interior Committee in and the Congress in not authorizing a feasibility study in advance of the completion of a preliminary reconnaissance study?

Mr. McCLURE. That is correct.

Mr. FOLEY. Mr. Chairman, if the gentleman will yield further, is not the effect of authorizing a feasibility study prior to the reconnaissance study simply to deny the Members of Congress the benefit of this reconnaissance study conclusions before they vote on a costly feasibility proposal?

Mr. McCLURE. The gentleman's observation is correct. We have been assured that the language in the bill is a sufficient guarantee of rights, because the Governors have the right to veto such proposals. I would point out the fact, however, that there cannot be any better guarantee to any State than a decree of the Supreme Court of the United States. If the decree won by the State of Arizona is not sufficient to protect them against the demands of another State, how can the language in this bill constitute such a guarantee?

Mr. FOLEY. Mr. Chairman, will the gentleman yield further?

Mr. McCLURE. I yield further to the gentleman from Washington.

Mr. FOLEY. I want to congratulate the gentleman in the well upon a very fine statement and a very accurate statement of the problems this conglomerate bill has raised. If he will bear with me further, I wish to inform the committee that when we reach the 5-minute rule I am going to offer an amendment to substitute a reconnaissance study for this feasibility study. I would like to have the attention of the gentleman from Arizona [Mr. RHODES] who asked me a few moments ago whether I would accept title II if the word "feasibility" were changed to the word "reconnaissance." As I have just said, I intend to offer such an amendment and I hope the gentleman from Arizona will support it. It will simply change the word from "feasibility" to "reconnaissance," but I will make a statement that if it is adopted then I shall support title II of the bill.

Mr. McCLURE. I thank the gentleman from Washington for his contribution and I would like to say that I will support that change also.

Mr. RHODES of Arizona. Mr. Chairman will the gentleman yield?

Mr. McCLURE. I yield to the gentleman from Arizona.

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. I thank my good friend from Idaho for yielding. The

process which the House must go through in order to authorize a feasibility report is to determine as best it can whether or not a project when it is authorized either has or appears to have some possibility that it will prove beneficial. This has already happened and this is not a suggestion to authorize a feasibility study. Therefore, I could not support the amendment which is proposed to be offered by the gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, if the gentleman from Idaho will yield further, I am sorry that the gentleman cannot support my proposed amendment. I thought that was the burden of his question to me, in asking if I would agree to such an amendment.

Mr. McCLURE. I would like also to comment further on this particular feature written into the bill and which is similar to the story told of the gentleman working for a large corporation who was asked to donate to the Community Chest.

All of the people in that great corporation, save one, had made this donation, and the president of the corporation wanted to know why this one man was holding out, and he sent various people to persuade him to make the donation so the company could be 100 percent on the donation. The man was adamant, and again said, "No." Finally, the president called the man into his office and told him, "You will donate, or you will be fired." The fellow said, "Of course I will donate." The president said, "If you are going to donate now, why was it that you required me to call you in?" The man replied, "Well, I never had it explained to me so clearly before."

The people of Arizona are in that position today. They have never had the demands of the river explained to them so clearly as when California said, "If you want any more projects in Arizona, you will concede to us what you have won in the Supreme Court decision."

So they have, and so we may be faced with the same kind of threats in the future when it comes to the future development of the water resources and lands in the Northwest. The same kind of proposition is being suggested to us, "Will you concede? Will you knuckle under? Will you stand on your rights to veto the diversion at the expense of any future development within your States?"

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. McCLURE. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Mr. Chairman, I would like to commend the gentleman for the statement he has made, and to point out another example of the highhanded manner in which the folks from California have demanded prizes in this bill.

We set up a basin fund, and the committee in this session, on one day said that the funds should pay for that portion of the projects in Utah which could not be paid out of the farm development funds—

The CHAIRMAN. The time of the gentleman from Idaho has again expired.

Mr. SAYLOR. Mr. Chairman, I yield 5 additional minutes to the gentleman from Idaho [Mr. McCLURE].

Mr. McCLURE. I thank the gentleman.

Mr. SAYLOR. If I may continue, the next day we reconsidered the act whereby we took it out, at the insistence of the Representative from California who insisted that the Dixie project and the projects in Utah be paid by the State of Arizona.

Mr. TUNNEY. Mr. Chairman, will the gentleman yield?

Mr. McCLURE. If I have time I will be delighted to yield to the gentleman, after I have completed my remarks.

Mr. Chairman, I believe there is one other element that must be pointed out here, that there is a source of water in the States affected in the Colorado River Basin which has not been pointed to except in passing remarks. There is adequate water in northern California to meet the future requirements within the foreseeable future of the demands of southern California. This is water which is kept in the bank by the State of California for their future demands while they are looking outside to augment the supplies for the Colorado River Basin.

Mr. Chairman, I would like to touch briefly on the Mexican Water Treaty obligation, because it has been said here that this really does not change anything. I would like to repeat again what has been said, that if the language in this bill does not really mean anything, why, then, the insistence upon its inclusion? "Methinks thou dost protest too much."

Mr. Chairman, I would like to read to the Members the language of this bill exactly, in case anyone present has not done so.

Section 202, which appears on page 52 of the bill, says:

The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation—

While it is true that this bill does not require any immediate expenditure to satisfy that obligation, it does indeed constitute a blank check for the future. In the words of the gentleman from Arizona, as quoted by the gentleman from Pennsylvania, it "transfers" this obligation to the National Government, and it then becomes the responsibility of all 50 States to satisfy this obligation when, as, and if we find a means to do it.

I believe we need to look at the background for a moment, for those people who are not familiar with Western water law, that, generally speaking, waters are not used are subject to appropriation by the first person who can put it to use.

The compact on the Colorado River has changed that by making a reservation for future use of the waters that are not now being used.

The Mexican Water Treaty is a recognition of this principle. It did not give Mexico something that Mexico did not have. It did not give Mexico something that the other States in the basin did not have. It was in recognition of an existing right, and now we are seeking to make this an obligation, not of the river—but of the United States generally.

I would again say that the compact recognized this in 1922. It was again

recognized in the treaty discussions in 1944. It should again be recognized at this time.

A gentleman in one of the speeches earlier remarked about the fact that we have taken something away from Arizona and that we should pay them for it because we are not going to allow any dams to be built in the Grand Canyon and we should compensate the State of Arizona.

I wonder if this principle applies to my State where 3 million acres of the State of Idaho have been dedicated to wilderness uses. Is the State of Idaho to be compensated then for those 3 million acres?

In conclusion let me say, I want to make it clear, as has been stated repeatedly, that I, along with other members of the Northwest delegation, support the central Arizona project. We think Arizona is entitled to develop their water and their land as has been determined under the compact by the Supreme Court of the United States and that they should be permitted to do so. They are having to surrender rights which are theirs legally and morally, and which this legislation requires them to surrender.

I would like to conclude my remarks by stating at the conclusion rather than at the inception of my remarks that never has any committee been chaired in a more fair manner and by a more capable chairman than this great Committee on Interior and Insular Affairs. Certainly, as a freshman Member of the Congress, I would be remiss if I did not extend to the chairman my heartfelt gratitude for his generosity and fairness in the consideration of this bill.

(Mr. HOSMER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HOSMER. Mr. Chairman, there are misconceptions in the debate relative to the Water Resources Council and related matters that ought to be cleared up.

For instance, the claim that the provisions of title II, "Investigations and planning," duplicate existing authority given the Water Resources Council in the Water Resources Planning Act and the bills passed by both Houses of the Congress establishing a National Water Commission.

The minority states on pages 116-117 of its report that authority to study interbasin diversion of water already exists in the provisions of the Water Resources Planning Act—page 117—and quotes some irrelevant sections—the minority omits the key provision; for example, section 3(d) which prohibits the study of interbasin water transfers under the jurisdiction of more than one river basin commission or entity performing the function of a river basin commission. Since section 3(d) became law, the Water Resources Council has scrupulously interpreted that subsection as meaning not even reconnaissance study of interbasin transfers. An excellent case in point is guideline 3, page 3, of the Water Resources Council publication "Guidelines for Framework Studies, October 1967," which states:

Framework studies will be concerned only with the *intraregional* water and related land resources and their uses. . . . (Emphasis supplied.)

NATIONAL WATER COMMISSION

The facts do not support the minority's claim that the National Water Commission will have the authority to make needed studies. First of all, time is of the essence and the establishment of the proposed Commission is proceeding at a snail's pace. A year ago, the House of Representatives passed a Commission bill with relatively minor differences from the Senate-passed version. No Senate-House conference has been called so there has been great trouble even launching this supposed cure-all study agency.

This delay is symptomatic of blue-ribbon commissions. The policy problems involved transcend all others. It is inconceivable that a seven-man Commission, with a life of 5 years, can do more than examine, on a broad-brush basis, fundamental nationwide water and related land resources problems. Such a Commission cannot make, or even hope to direct, studies of the type required to meet equitably the diverse challenges which stretch from one end of the country to the other. Not only are there the major western areas of deficient water resources—such as the Colorado River, Rio Grande, High Plains of Texas, and the Great Basin—there are very significant but different type of problems associated with water-rich areas in the West, such as the Columbia River, California's north coast, and the Missouri-Mississippi Rivers.

There are the multiple and unique problems in the Great Lakes area, the Northeast, and the Southeast. There are water quality problems nationwide. There is the competition between "wild rivers" and "wilderness areas" and conservation. There are many, many more water and related land resources problems. For the Southwest, Northwest, Northeast, Southeast, or any other region of the country to stop regional planning until a yet-to-be authorized National Water Commission finishes its report is tantamount to abdication of responsibility. The ideal solution is to have regional studies proceeding concurrently with the National Water Commission review, that way more data would be available to the Commission, and the Congress would be furnished with the report on national water policy which can be put to immediate use in appraising regional plans. The title II studies of a specific plan are scheduled for completion in 1975, which will enable full consideration of the Commission's report.

It also has been alleged that the Committee on Interior and Insular Affairs and the Congress do not have available the preliminary information and analysis to justify authorization of the study provisions of title II.

The facts are otherwise. These people reverse their field. Having said that title II was unnecessary because Congress has already provided study authority in other legislation, there is no rational basis for asserting that there is not enough information to justify the study authorization provisions in title II. The undisputed facts show the Southwest is facing a water problem rapidly approaching the crisis stage—manifestly a study is justified. A very large part of the four-volume set of hearings deal squarely

with the critical water outlook in the Southwest.

It also has been said that the committee and the Congress do not have available the necessary information as to the costs of the studies authorized by title II.

The facts are otherwise on this point as well. On page 1400 of the House hearings on H.R. 4671—1966—the Department of the Interior furnished cost data for both the reconnaissance- and the feasibility-level studies. The reconnaissance study was estimated to cost about \$4 million; the feasibility-level study from two to three times that amount.

We have also heard allegations that there is no emergency and no immediate water shortages which require or justify immediate and hurried approval of the provisions found in title II, and quoted is the fact that there will be a full water supply available for the central Arizona project until sometime during the decade 1985–95. This does not prove anything at all. The lapse of time between initiation of studies and delivery of water for major water projects invariably covers decades.

For example: First. The central Arizona project studies were initiated in 1945, and water will not be delivered before 1979, which is a lapse of time of 34 years. Adding 34 years to 1968 would result in a water delivery in year 2002, for an augmentation project 7 to 17 years too late to meet 1985–95 requirements.

Second. The California State water project studies were initiated in 1947, and water will be delivered to southern California in about 1972, an elapse time of 25 years. Adding 25 years to 1968 would result in a water delivery in year 1993, barely before the 1995 date.

Even with title II studies being authorized this year, and the feasibility-level study being completed by 1975 as specified in title II, more than a decade will have been spent in making reports to the Congress. At that time, the augmentation studies will be at the stage the CAP studies were 17 years ago, and who can argue that Colorado River augmentation authorization will be less controversial than CAP. Clearly, there is no time to lose in getting meaningful studies underway.

There has also been loose talk that the committee's report does not make any reference to the estimated cost of augmenting the Colorado River by any of the alternatives mentioned in title II.

The answer to this one is simple. There are no reliable, comparable cost data on the alternatives. To get that data is the express purpose of title II. The committee rightfully refrained from prejudging or speculating on costs. If the studies show whether modification is reliable and less costly than other alternatives, the Southwest will welcome the news. The same is true if desalting appears to be the preferable source. The minority views miss the point. Alternative costs will not be ignored if title II studies are authorized, they will constitute the cornerstone of the studies. By quoting unsupported preliminary cost estimates the minority appears to be prejudging the results of yet to be undertaken studies.

At the time the Interior Department

was assuming desalting costs may be reduced to 9.8 cents per 1,000 gallons in the next 25 years, the estimated costs for the Bolsa Island plant off the coast of southern California were being raised from 22 cents—1965 estimate—to 37 cents—1968 estimate.

Operational weather modification may be technically feasible by 1975, although there is no consensus on that, but even if that fortuitous circumstance happens, what are the legal implications of "milk-ing" millions of acre-feet out of the skies to augment the flows of the Colorado River? What happens if droughts occur in nearby regions? Are there legal and financial responsibilities? What happens if floods should accompany weather modification, or if inclement weather adversely affects business? If all of the weather modification problems are solved by 1975, there will be no conflict with title II, because the feasibility report is due at the beginning of that year. Congress will be in the happy position of making an easy choice. If weather modification fails legally or technically, the Congress will have the necessary data to turn to some other solution.

Someone earlier complained that the Congress has reserved to itself the authorization of feasibility-level studies and that title II would permit the Secretary of the Interior to proceed directly from reconnaissance- to feasibility-level studies without affording a congressional review of the reconnaissance level studies. There is absolutely no wager about this whatsoever.

The reconnaissance reports will be available in 1973. The Congress can review them and stop the feasibility-level study at that time.

[Mr. WALKER addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. ASPINALL. Mr. Chairman, I yield 1 minute to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, I am happy to urge the enactment of H.R. 3300. The enactment of this bill into law can go a long way toward helping the people of the Colorado River Basin resolve the problems created by rapid population growth and dwindling water supplies.

The city and county of Denver, which comprises the First Congressional District of Colorado, and which I have the privilege of representing derives a significant portion of its water supply from the major tributaries of the Colorado River. Because of its dependence upon that source, Denver is vitally concerned with any Federal legislation affecting the Colorado River.

I am especially interested in section 501(f). My concern over this provision stems from the fact that Green Mountain Reservoir is located on the Blue River, one of the major tributaries of the Colorado River from which the Denver metropolitan area now derives a part of its water supply. That area must necessarily look to this river for increasingly large amounts of its supply to support its future growth. Denver's rights to the use of this water, created by the people of Denver at a cost of more than \$70 mil-

lion, are closely tied in with the operation of Green Mountain Reservoir under Senate Document 80 by reason of the incorporation of certain provisions of that document in that decree of the U.S. District Court for the District of Colorado which defines the rights of both the United States and Denver in the Blue River.

Under the law, the definition of those rights by the court is simply a description of what Denver and the United States, as appropriators, did to create their respective rights. In describing the rights of the United States therefore, the court, rather than presuming to intrude upon the functions of Congress, merely copied the language of Senate Document No. 80 without interpreting it. Since question exists, not as to any court interpretation, but as to the Congress' purpose in creating Green Mountain Reservoir, it is appropriate that only Congress resolve any problem relating to this Federal property which may have arisen out of this congressional document.

In reporting on that problem, the Committee on Interior and Insular Affairs of this House, stated in its report on H.R. 3300—Report No. 1312, 90th Congress, second session—at pages 81 and 82:

Subsection (f) has been included in the legislation in order to give congressional interpretation to the meaning of the words "any western slope appropriations" that appear in paragraph (i) of the section of Senate Document No. 80, 75th Congress, 1st session, entitled "Manner of Operation of Project Facilities and Auxiliary Features." The meaning of these words which this subsection approves is the same as that approved by the Colorado Water Conservation Board. The section of Senate Document No. 80 referred to provides for three principal water components of the Colorado-Big Thompson Federal reclamation project; namely, for diversion of water to the eastern slope of Colorado, for storage of replacement water, and for storage of water for use in western Colorado. The replacement water (52,000 acre-feet) and water for use in western Colorado (100,000 acre-feet) are stored in Green Mountain Reservoir in western Colorado.

The last sentence of paragraph (g) of the particular section of Senate Document No. 80 in question says:

"The 100,000 acre-feet of storage in said reservoir shall be considered to have the same date of priority of appropriation as that for water diverted or stored for trans-mountain diversion."

This quoted sentence is subsequently qualified by paragraph (i) of the same section which, with reference to the Colorado River Compact, states, in part, as follows:

"Notwithstanding the relative priorities specified in paragraph (g) herein, if an obligation is created under said compact to augment the supply of water from the State of Colorado to satisfy the provisions of said compact, the diversion for the benefit of the eastern slope shall be discontinued in advance of any western slope appropriations."

The Committee was informed that there has been considerable misunderstanding within the State of Colorado as to the effect of the additional projects herein authorized when viewed in the light of the above quoted provisions of Senate Document No. 80. Although the misunderstandings may be less real than they appear, the Committee agrees to resolving the matter by approving the interpretation of the words "any western slope appropriations" to mean and refer to the appropriation heretofore made for stor-

age in Green Mountain Reservoir on the western slope of Colorado. It is the view of the Committee that any other interpretation would interfere with water rights vested by law in prior appropriators, and that the approved interpretation defines and observes the purpose of said paragraph (1) of Senate Document No. 80, and does not, in any way, affect or alter any rights or obligations arising under Senate Document No. 80 or under the laws of the State of Colorado.

This matter concerning Senate Document No. 80 affects no other State than Colorado. If it did, as a Member of the National Congress, I would have to exercise my judgment, not only from the local viewpoint but from the viewpoint of national interest as well. Here I have no such problem; the State of Colorado has spoken officially through its water conservation board, its legislature, and its Governor who testified before the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs of this House on May 8, 1966—page 1045 of serial No. 89-17, part II, hearings on the H.R. 4671 and similar bills, 89th Congress, second session. He said at that time:

The current controversy concerns the meaning of the words "any western slope appropriations." It appears clear enough from the document that such words apply only to the priority of water in Green Mountain Reservoir for use in western Colorado, as set forth in paragraph (g). Any other interpretation would do violence to rights vested by law in prior appropriators. Since it is a congressional document which creates the problem, we feel that it is necessary to have the matter clarified by the Congress. It is not our intention that any rights in western Colorado to the use of water from Green Mountain Reservoir be diminished or impaired. We ask only that the intent of Senate Document No. 80 be observed by all parties.

Senate Document No. 80 grew out of negotiations between representatives of eastern and western Colorado during the time that I was the attorney general of Colorado. My recollection of the product of those negotiations agrees with the understanding of the intent of the parties which section 501(f) confirms.

I am glad to see that the other body concurred with the Colorado Governor's request by adopting an identical provision in its version of the Colorado River Basin project bill.

I, too, concur with this official State policy which determines that the development of water uses in western Colorado should not, by reason of this portion of Senate Document No. 80, jeopardize the existing and future economy of eastern Colorado which is also dependent upon the use of the waters of the Colorado River. With this clarifying language in the bill, I give my wholehearted support to its passage.

Mr. Chairman, I would like to direct a question to the chairman of the committee.

Do you understand that the effect of section 501(f) is to cast the burden of providing water for a Lee Ferry deficiency upon all the water rights on the Colorado River within Colorado in the order of their priority under State law?

Mr. ASPINALL. Yes, I do.

Mr. SAYLOR. Mr. Chairman, to show that the planning sections of this act are a duplication of already existing law, let me quote to you the provisions of that act relative to the duties of the Water Resources Council and the Federal projects procedures.

SEC. 102. The Council shall—

(a) maintain a continuing study, and prepare an assessment biennially, or at such less frequent intervals as the Council may determine, of the adequacy of supplies of water necessary to meet the water requirements in each water resource region in the United States and the national interest therein; and

(b) maintain a continuing study of the relation of regional or river basin plans and programs to the requirements of larger regions of the Nation and of the adequacy of administrative and statutory means for the coordination of the water and related land resources policies and programs of the several Federal agencies; it shall appraise the adequacy of existing and proposed policies and programs to meet such requirements; and it shall make recommendations to the President with respect to Federal policies and programs.

SEC. 103. The Council shall establish after such consultation with other interested entities, both Federal and non-Federal, as the Council may find appropriate, and with the approval of the President, principles, standards, and procedures for Federal participants in the preparation of comprehensive regional or river basin plans and for the formulation and evaluation of Federal water and related land resources projects. Such procedures may include provision for Council revision of plans for Federal projects intended to be proposed in any plan or revision thereof being prepared by a river basin planning commission.

Mr. SAYLOR. Mr. Chairman, I wish to take the remaining time to commend the members of the Committee of the Whole House on the State of the Union for the debate which has taken place today. I believe that in the 19 years it has been my privilege to serve in this House I have never seen a finer example of the House of Representatives working at its best on a bill which is controversial, and a bill which is of tremendous interest not only to the people in the Colorado River Basin but to all the United States. The attitude of the proponents and the opponents has been in the highest and best tradition of the House of Representatives.

There has been no rancor, no bitterness or personalities injected into the debate. Those who represent other areas have carefully explained their reasons for opposition to the bill and the proponents have explained their reasons for the compromises that exist in the legislation.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to the gentleman from Colorado.

Mr. ASPINALL. May I join in the gentleman's commendation of our colleagues in the House?

Mr. SAYLOR. I just hope with the same spirit the Members of the House will tomorrow morning have an opportunity to examine the record that has been made on the House floor today and will determine tomorrow that some of the amendments which we have proposed

can be accepted—so that this legislation may become law.

Mr. ASPINALL. Mr. Chairman, I yield to the gentleman from California [Mr. VAN DEERLIN].

(Mr. VAN DEERLIN asked and was given permission to revise and extend his remarks.)

Mr. VAN DEERLIN. Mr. Chairman, coming, as I do, from the thirstiest end of California, it will occasion no surprise that I rise in support of the bill.

Mr. Chairman, all of us from the West have been waiting a long time for this day. H.R. 3300 would go far toward ending the disputes that have prevented full and efficient use of a great natural resource, the Colorado River.

The Interior Committee, under its able chairman, the distinguished gentleman from Colorado, is especially to be commended for giving us a bill that so carefully balances the interests of the States involved.

We Californians are delighted, of course, that the committee has seen fit to preserve our entitlement of 4.4 million acre-feet of water a year from the Colorado.

I shudder to think where we would be today without this river which furnishes 80 percent of all the water used by the 10 million people who live in Southern California. California has been taking around 5.1 million acre-feet a year, and our water experts tell us we could not live with less than the 4.4 million acre-feet specified in H.R. 3300.

This same allotment was specified in the Boulder Canyon Project Act of 1929. But California is a notably thirsty State. In our desire to anticipate the future needs of a very rapidly growing population, we built projects, at a cost of more than \$600 million, that are intended to use 5.4 million acre-feet. We recognize, however, that our neighbor States also have a right to grow, and we accept the hard fact that we will eventually have to operate our expensive system at 1 million acre-feet below its design capacity.

I wish I could say that this spirit of cooperation extended to our good friends from the Pacific Northwest.

Unfortunately, many of them seem to regard the augmentation study recommended by the bill as the beginning of a plot to grab off their own water.

I must confess that I find it difficult to understand the logic of our colleagues from the Northwest, although I certainly sympathize with this desire to protect the rights of their own region and people.

But what are they worried about? If anything, they suffer from an overabundance of water. Compared with their big river, the Columbia, the Colorado is a mere stream. Some 140 million acre-feet of water gush through the Columbia each year—and most of them keep flowing right out into the Pacific. The annual flow of the Colorado—on which seven States depend—is in the neighborhood of 13 million acre-feet, less than one-tenth of what the Columbia produces.

My learned colleagues, BIZZ JOHNSON and CRAIG HOSMER, have summed up the situation very cogently by comparing the Colorado to the U.S. gold stock: both are

woefully depleted and in urgent need of augmentation.

To the 20 million people in the seven States served by the Colorado, water is gold—

Said Messrs. HOSMER and JOHNSON—

But, water or gold, there isn't enough of it to cover a cow's knee by the time the Colorado reaches the Gulf of California.

In other words, the Colorado River Basin States, unlike their counterparts in the Northwest, simply cannot afford the luxury of waste.

And today's scarcity promises to become a critical shortage in the future—unless something can be done to replenish the Colorado.

H.R. 3300 would make up some of the deficiency by adding 2.5 million acre-feet a year to the river from some outside source. The bill does not say what this source, or sources, should be. Instead, it directs the Secretary of Interior to study all possibilities and come up with a feasible plan by 1975. The possibilities include, but are not limited to, desalting, weather modification, or an interbasin transfer from a water surplus area, including northern California.

The Interior Secretary cannot, however, recommend an interbasin diversion unless the plan has been approved by the affected States. Once they have given their okay, areas of origin not only get full protection of existing uses but also recall of the water if it is needed later and development fund assistance.

I cannot see how this wise proposal, with its built-in protection for all 11 of the Western States, can be construed as a threat to anyone's water supplies.

Rather, it seems to me, the augmentation provision would tend to assure the orderly development of water resources throughout the West to the advantage of all the Western States, not just some of them.

Water does not recognize political boundaries—and we should not either, when we are handling legislation as comprehensive as this excellent bill.

I would urge our colleagues to think twice before voting to scuttle the augmentation section or any other provision of H.R. 3300. If we tamper with the bill here on the floor of the House, we could kill it in the process and all our States would be the losers.

Mr. ASPINALL. Mr. Chairman, I yield the balance of the time to the gentleman from California [Mr. HOLIFIELD].

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I am happy to yield to my colleague from California.

(Mr. ROYBAL asked and was given permission to revise and extend his remarks at this point in the RECORD.)

Mr. ROYBAL. Mr. Chairman, my remarks will be brief in support of this bill to develop the Colorado River to meet the inevitable needs of growth.

I do support it and in doing so, I reflect the overwhelming sentiments of my constituents. Every communication from my home district in Los Angeles urges me to support this legislation as recommended by the House Interior and Insular Affairs Committee.

One of the most striking facts about the Colorado River is that the water it produces now is completely used up. For the past several years no useful water has been discharged to the Gulf of California. The relative trickle from the mouth of the Colorado River to the sea is too degraded by dissolved minerals for further use. Although this legislation contemplates an increase of demands upon the supply of water in the future I can support this bill because it also provides for a factfinding program to guide our future decisions about the best way to augment the water supply of this stream.

There is no hope for reduction of demand. No law exists to stop new settlers from moving into the arid Southwest where water from the Colorado River must be used to support them. Every index promises population growth in these areas and the only question is whether the growth will be just plain big, or even bigger. Translated into water requirements, this question becomes one of how much additional water will be required and where can it best be found and how best delivered.

In conversations with some of our colleagues, I have encountered some reservations about a provision of this Colorado River project legislation which assigns as a national obligation the cost of providing water to Mexico under the 1944 treaty. Speaking as a member of the Foreign Relations Committee who fully endorses the good neighbor policy, I have no such reluctance to endorse that provision. All treaties are national obligations.

When this particular agreement with Mexico was reached, many members of the other body voted against ratification because, among other inequities, it placed no obligation upon the citizens of the Nation as a whole to provide the required water which the United States promised to deliver annually. The treaty was approved, however, in spite of the anxiety of those who objected on behalf of the seven Southwestern States which depend upon the Colorado River. The million and a half acre-feet plus conveyance losses, which must be delivered yearly to Mexico fell by default as a burden upon only the citizens living on lands comprising the Colorado River Basin. Their protesting representatives were correct. The burden was not fairly shared.

I congratulate the members of the Interior and Insular Affairs Committee for the language in this bill which corrects the injustice. Cost of paying this debt to Mexico should be borne by all of us, not by just a few of us and, in this instance, a few least able to afford to do so.

At the moment, the distress is minimal because development of the Southwestern States is still in progress. But all the water of the river is now being used. What little flows to the Gulf of California is too saline for further service to either Americans or Mexicans. And both Americans and Mexicans are concerned, Mexicans about water quality and Americans about both quantity and quality.

Therefore, some kind of a meaningful augmentation program holds extra significance because of its great potential for good in our relations with Mexico. New water added to the Colorado River would serve primarily to alleviate the salinity problem south of the border. And, who knows, there might also be enough to provide Mexico with additional supplies.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I am happy to yield to my colleague from California.

Mr. JOHNSON of California. Mr. Chairman, awhile back in the debate reference was made to a letter received from the Honorable CARL HAYDEN, Senator from Arizona. I received a letter from that fine gentleman, Senator HAYDEN, and I think all of the letter should be made a part of the RECORD since only a part of it was quoted for the RECORD.

In the letter he addressed to me Senator HAYDEN said that H.R. 3300, as well as S. 1004, would provide the essential Arizona project. I do believe that he is in support of H.R. 3300 as it came from the committee and is authored by the Chairman of our full committee, the gentleman from Colorado [Mr. ASPINALL].

The letter is as follows:

U.S. SENATE,
Washington, D.C., May 13, 1968.
Hon. HAROLD T. JOHNSON,
House of Representatives,
Washington, D.C.

DEAR BIZ: By now, every member of the Congress knows that the State of Arizona is in desperate need of supplemental water.

For over forty years, driven by necessity, plagued by frustration and sustained by hope, Arizona has worked hard to secure and use its share of Colorado River water. At times I have been called upon to lead that fight, just as I have supported many measures of resource development in every State in the Nation. It has become my fervent hope to see the passage of legislation which will make the Central Arizona Project a reality.

Three times the Senate has passed a bill to make that dream come true, but never, until this year, has the House of Representatives had the opportunity to vote on this legislation. Soon you will be voting on Chairman Aspinall's bill, H.R. 3300. While this bill differs in some respect from the Senate bill, S. 1004, either would authorize construction of an aqueduct from the Colorado River to bring water into central Arizona.

I hope that you will now support Arizona and that you will urge your colleagues to help in passing this legislation by the House of Representatives without crippling amendments.

Yours very sincerely,

CARL HAYDEN.

Mr. HOLIFIELD. Mr. Chairman, first I wish to thank the chairman of the full committee for yielding me some time. As a member of the 38-member California delegation, I want to say that we are unanimous in support of H.R. 3300. To us the river water of the Colorado is the lifeblood of our whole economy.

I wish to go back at this time to something that occurred when I was first a Member of the House, along in 1944 and 1945. At that time, in 1944, as I remember, the Mexico-United States Treaty was proposed, and in 1945 it was ratified. That treaty guaranteed 1½ million acre-feet of water to Mexico.

Before that time floods would devastate Mexico below the U.S. boundary, and they could never depend upon getting a crop, regardless of what it was. When the Hoover Dam was built, we had a means of controlling that water, and water that had been destructive became beneficial water, not only to the people of California but to the people of Mexico, because we could save them from the annual flooding which usually took place.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Colorado.

Mr. ASPINALL. Hoover Dam has been paid for by the consumers of the electric power that is generated by the Hoover Dam generating facilities, and those consumers live in California and Arizona; is that not correct?

Mr. HOLIFIELD. The gentleman is correct. The bulk of the power is bought by California. At that time we built an aqueduct with California funds—not with Federal funds—some 275 or 300 miles, which cost us at that time \$500 million.

If that aqueduct had to be built today, it would probably cost a billion or a billion and a half. But we built that with our own funds and not with Federal funds, and it was paid for by the taxpayers of California in order to bring that lifegiving river water into southern California.

We have an annual rainfall of about 14 inches in southern California. That, of course, is the reason why we need the water.

The next reason is we have about 10 million people in that area. We have close to 19 million people in California. We might say that from almost the northern part of California down through the southern part, we need the lifegiving water that flows through the rivers of California and flows through the aqueduct into California.

Back to the treaty, the testimony at that time before the Foreign Relations Committee of the Senate, from the experts and from the State Department, was that there was something like 18,400,000 acre-feet in the Colorado River flow. They did not have the means of measuring water as accurately then as they do now, and there may have been some decrease in the flow of the river in the meantime due to weather variance.

However, the million and a half acre-feet was given to Mexico on the basis that it was being given out of surplus, over and above the 15 million acre-feet committed to northern and southern basin States. We were giving them something out of surplus, we thought, and the State Department so testified, and the experts who came before us so testified.

This was for the benefit of Mexico in an international treaty. It was not for the benefit of the people of California, or the people of Colorado, or of the other Colorado Basin States. This was an international treaty of comity between two nations, but hooked in with that was also the Rio Grande River treaty of flood control and division of water between Mexico and the United States.

Something has been said here that it was not a national obligation, that a treaty is not a national obligation.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, I think it well to point out just what the gentleman said, that when they made the treaty what they were talking about was water that was going into Mexico anyway, but it turns out it was water that was not going to go to Mexico at all, and it has to come out of somebody's field and somebody's factory and somebody's home.

Mr. HOLIFIELD. That is correct. Let me stress that part of the treaty was the Rio Grande water control and distribution. Here again the Federal Government came in and built two dams, at Federal expense and not at the expense of the people of Texas. The National Government took over that, thereby proving it was the national obligation. We built those two dams in order to control the waters of the Rio Grande and divert the water to Mexico that should go to Mexico and the water to Texas that should go to Texas.

Now, is this diversion of water to Mexico from the Colorado River a national obligation or is it an obligation that should be assessed against the basin States, north and south? In 1965 we came on this floor with legislation which was in effect a modification of that treaty for improving the quality of the water. The quantity was not in question. We were giving them some 1,500,000 acre-feet, but it had become too salty due to the situation on the Colorado, so the Federal Government again, in an agreement with Mexico, came to the Congress for Federal funds to modify that treaty, and we spent approximately \$30 million to \$40 million making diversion canals around the Morales Dam to bring sweet water in to protect Mexico from water that had become too saline.

There is adequate proof, in my opinion, that it is a national obligation. It was done for a national purpose, and the National Government stood behind its responsibility in that treaty and paid for the diversion canals—some \$30 to \$40 million.

It was a mistake on the part of the experts before the Senate Foreign Relations Committee when they said there was 18,400,000 acre-feet in that river. Should we, the seven member States of the Colorado Basin, bear that mistake, which was made in testimony by the State Department, or should the Nation as a whole bear the cost of that mistake? The effect of that mistake is redounding upon the States that are involved in the Colorado Basin, because we find we have a scarcity of water which was not foreseen or forecast or estimated at the time of the treaty.

Let me call to the attention of the Members of the Northwestern States of Washington and Oregon the fact that they are benefiting from the Canadian Treaty by the expenditure of millions of Federal dollars to bring water down from

Canada into the Bonneville system, which makes kilowatts that will go as far south as Los Angeles eventually through the Northwest-Southwest intertie.

It was the Federal Government which took over the obligation of that treaty, and it was the Federal Government which built the canals to bring the 20 million acre-feet into the Bonneville system from Canada. So I say to the people of the Northwest, they are benefiting from a treaty made between Canada and the United States.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. No. The gentleman has had a lot of time and I have had little. I ask the gentleman to bear with me. I know he does not like to hear these facts, but they are facts, and he knows it.

I believe the point that the Colorado River Basin States should bear a national treaty impact, because of a mistake in testimony and a mistake in estimates which was made, would be an equitable arrangement in line with many national treaty precedents.

Do we want any State involved in any international treaty with any nation to bear the impact, good or bad, of that treaty? Of course not. A treaty is a national obligation between two sovereign nations. It is not to be borne by any section, by any State, by any county or by any city in the United States.

If there be deleterious effects upon a State, that State should be made whole, because the treaty which was made was made for the benefit of all the people of the United States and not for the people of a certain area of the United States, although the water in this instance had to come from a river which drains seven of these States. Nevertheless, if an impact which is deleterious on those States occurs as a result of a national treaty, I say it is just simple equity that the Nation itself bear that cost, and not the six States, one State, two States, or three States pay for the impact of a national treaty.

This is an important thing I want to say, because the point has been repeatedly made that we are doing something very devious in asking that the United States bear the cost and the obligation and the burden of an international treaty. In my opinion, that is a completely fallacious position to take. We have precedent after precedent. If Members will read the report, pages 47 to 51, they will find a number of those precedents where the Nation picked up the tab. That is all we ask, simple equity to the seven States in the region who have long worked to get an agreement and a piece of legislation which will help us on the distribution of the water, on the preservation of the water, and the restoration to that basin of waters which were taken by mistake in an international treaty.

So I say that we have a good cause. I hope the Members of the House who are not on the floor will read my words and will remember that we seek to help an area of the United States which represents 13 percent of the population.

I would say to my friends from the Northwest, from Oregon and Washing-

ton, there are some 31 million people in these seven States. There are about 6 million people in the States of Idaho, Oregon, and Washington. I would say the greatest market they have are the people of California, who buy the apples of Washington and the lumber of Washington and the potatoes of Idaho and the other products of that area. It is their natural market. That market is growing. It will continue to absorb the products of those States.

Let us look at this as a regional problem, a problem whereby the whole region will profit from its solution. You sell your potatoes and apples and lumber to Californians. We buy them. We have to have water to drink or we cannot live there, and we cannot build our houses, and we cannot eat your food. So let us try to look at this thing for one moment on the basis of regional prosperity, for without regional prosperity, Washington, Oregon, and Idaho cannot have prosperity, either.

If we work together on this, without detriment, because there are plenty of safeguards in the legislation to keep away any detrimental diversion of water from the States in the North, we can solve this problem. We do not say in this legislation that there will be diversion, but we say that the study will take into consideration desalting, in which I am very much interested, recovery of waste water from all sources, and weather modification as well as importation.

This bill provides that we make a study and then that the recommendations will come back to this committee. Then this committee, as it sees fit, will make whatever recommendations it determines are necessary from this feasibility study. This then comes back to the Congress, and then the Congress has the final word as to whether we shall authorize and appropriate for these items that are recommended by the study and which survives the regular committee process of authorization and appropriation.

The CHAIRMAN. The time of the gentleman from California has expired. All time has expired.

Pursuant to the rule, the Clerk will read the committee substitute amendment printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—COLORADO RIVER BASIN PROJECT: OBJECTIVES

SEC. 101. That this Act may be cited as the "Colorado River Basin Project Act".

SEC. 102. (a) It is the object of this Act to provide a program for the further comprehensive development of the water resources of the Colorado River Basin and for the provision of additional and adequate water supplies for use in the upper as well as in the lower Colorado River Basin. This program is declared to be for the purposes, among others, of regulating the flow of the Colorado River; controlling floods; improving navigation; providing for the storage and delivery of the waters of the Colorado River for reclamation of lands, including supplemental water supplies, and for municipal, industrial, and other beneficial purposes; improving water quality; providing for basic public outdoor

recreation facilities; improving conditions for fish and wildlife, and the generation and sale of electrical power as an incident of the foregoing purposes.

(b) It is the policy of the Congress that the Secretary of the Interior (hereinafter referred to as the "Secretary") shall continue to develop, after consultation with affected States and appropriate Federal agencies, a regional water plan, consistent with the provisions of this Act and with future authorizations, to serve as the framework under which projects in the Colorado River Basin may be coordinated and constructed with proper timing to the end that an adequate supply of water may be made available for such projects, whether heretofore, herein, or hereafter authorized.

TITLE II—INVESTIGATIONS AND PLANNING

SEC. 201. (a) The Water Resources Council, acting in accordance with the procedure prescribed in section 103 of the Water Resources Planning Act (79 Stat. 244), shall within one year following the effective date of this Act establish principles, standards, and procedures for the program of investigations and submittal of plans and reports authorized by this title. The Secretary, in conformity with the principles, standards, and procedures so established, is authorized and directed to—

(1) prepare estimates of the long-range water supply available for consumptive use in the Colorado River Basin, of current water requirements therein, and of the rate of growth of water requirements therein to at least the year 2030;

(2) investigate and recommend sources and means of supplying water to meet the current and anticipated water requirements of the Colorado River Basin, either directly or by exchange, including reductions in losses, importations from sources outside the natural drainage basin of the Colorado River system, desalination, weather modification, and other means: *Provided*, That the Secretary shall not, under the authority of this clause or anything in this Act contained, make any recommendation for importing water into the Colorado River system from other river basins without the approval of those States which will be affected by such exportation, said approval to be obtained in a manner consistent with the procedure and criteria established by section 1 of the Flood Control Act of 1944 (58 Stat. 887);

(3) undertake investigations, in cooperation with other concerned agencies, of means for maintaining an adequate water quality throughout the Colorado River Basin;

(4) investigate means of providing for prudent water conservation practices to permit maximum beneficial utilization of available water supplies in the Colorado River Basin;

(5) investigate and prepare estimates of the long-range water supply in States and areas from which water could be imported into the Colorado River system, together with estimates and plans to satisfy the probable ultimate requirements for water within such States and areas of origin for all purposes, including but not limited to consumptive use, navigation, river regulation, power, enhancement of fishery resources, pollution control, and disposal of wastes to the ocean, and estimates of the quantities of water, if any, that will be available in excess of such requirements.

(b) The Secretary is authorized and directed to prepare reconnaissance reports covering the matters set out in subsection (a) of this section, and such reports shall be submitted to the President and to the Congress not later than Jan. 30, 1973, and, as revised and updated, every five years thereafter. For the purpose of providing for the repayment of the reimbursable costs of any projects covered by such reports, the Secretary shall take into account such assistance as may be available to the States of the Up-

per Division from the Upper Colorado River Basin Fund (70 Stat. 107), and to the States of the Lower Division from the development fund established by section 403 of this Act.

(c) On the basis of the investigations and studies performed pursuant to this section, and subject to the provision of subsection (a) (2) and section 203 hereof, the Secretary shall prepare a feasibility report on a plan which shows the most economical means of augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet annually. The recommended plan may include the construction of works and facilities by such successive stages as are estimated to be necessary to alleviate critical water shortages as they occur. The report prepared pursuant to this subsection, along with comments of the affected States and appropriate Federal agencies thereon, shall be submitted to the Congress on or before January 1, 1975.

SEC. 202. The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of this Act and authorized by the Congress. Accordingly, the States of the Upper Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which may have been imposed upon them by article III(c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican Water Treaty together with any losses of water associated with the performance of that treaty.

SEC. 203. (a) In the event that the Secretary shall, pursuant to section 201(a) (2) and 201(c), plan works to import water into the Colorado River system from sources outside the natural drainage areas of the system, he shall make provision for adequate and equitable protection of the interests of the States and areas of origin, including assistance from funds specified in section 201(b) of this Act, to the end that water supplies may be available for use in such States and areas of origin adequate to satisfy their ultimate requirements at prices to users not adversely affected by the exportation of water to the Colorado River system.

(b) All requirements, present or future, for water within any State lying wholly or in part within the drainage area of any river basin from which water is exported by works planned pursuant to this Act shall have a priority of right in perpetuity to the use of the waters of that river basin, for all purposes, as against the uses of the water delivered by means of such exportation works, unless otherwise provided by interstate agreement.

SEC. 204. The Secretary shall submit annually to the President and the Congress reports covering progress on the investigations and reports authorized by this title.

SEC. 205. There are hereby authorized to be appropriated such sums as are required to carry out the purposes of this title.

TITLE III—AUTHORIZED UNITS: PROTECTION OF EXISTING USES

SEC. 301. (a) For the purposes of furnishing irrigation water and municipal water supplies to the water-deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary shall construct, operate, and maintain the Central Arizona Project, consisting of the following principal works:

(1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system shall have a capacity of not to exceed two thousand five hundred cubic feet per second; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so operated as not to prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59); (4) Hooker Dam and Reservoir or suitable alternative, which shall be constructed in such a manner as to give effect to the provisions of subsection (f) of section 304; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueduct; (8) related canals, regulating facilities, hydroelectric powerplants, and electrical transmission facilities required for the operation of said principal works; (9) related water distribution and drainage works; and (10) appurtenant works.

(b) Article II(B)(3) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient main stream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversions from the main stream for the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use by holders of present perfected rights, by other users in the State of California served under existing contracts with the United States by diversion works heretofore constructed, and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of mainstream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater than would have been imposed in the absence of this subsection 301(b). This subsection shall not affect the relative priorities, among themselves, of water users in Arizona, Nevada, and California which are senior to diversions for the Central Arizona Project, or amend any provisions of said decree.

(c) The limitation stated in subsection (b) of this section shall not apply so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada.

SEC. 302. (a) The Secretary shall designate the lands of the Salt River Pima-Maricopa Indian Community, Arizona, and the Fort McDowell-Apache Indian Community, Arizona, or interests therein, and any allotted lands or interests therein within said communities which he determines are necessary for use and occupancy by the United States for the construction, operation, and maintenance of Orme Dam and Reservoir, or alternative. The Secretary shall offer to pay the fair market value of the lands and interests designated, inclusive of improvements. In addition, the Secretary shall offer to pay toward the cost of relocating or replacing such improvements not to exceed \$500,000 in the aggregate, and the amount offered for the actual relocation or replacement of a residence shall not exceed the difference between the fair market value of the residence and \$8,000.

Each community and each affected allottee shall have six months in which to accept or reject the Secretary's offer. If the Secretary's offer is rejected, the United States may proceed to acquire the property interests involved through eminent domain proceedings in the United States District Court for the District of Arizona under 40 U.S.C., sections 257 and 258a. Upon acceptance in writing of the Secretary's offer, or upon the filing of a declaration of taking in eminent domain proceedings, title to the lands or interests involved, and the right to possession thereof, shall vest in the United States. Upon a determination by the Secretary that all or any part of such lands or interests are no longer necessary for the purpose for which acquired, title to such lands or interests shall be restored to the appropriate community.

(b) Title to any land or easement acquired pursuant to this section shall be subject to the right of the former owner to use or lease the land for purposes not inconsistent with the construction, operation, and maintenance of the project, as determined by, and under terms and conditions prescribed by, the Secretary. Such right shall include the right to extract and dispose of minerals. The determination of fair market value under subsection (a) shall reflect the right to extract and dispose of minerals but not the other uses permitted by this subsection.

(c) In view of the fact that a substantial portion of the lands of the Fort McDowell Mohave-Apache Indian Community will be required for Orme Dam and Reservoir, or alternative, the Secretary shall, in addition to the compensation provided for in subsection (a) of this section, designate and add to the Fort McDowell Indian Reservation twenty-five hundred acres of suitable lands in the vicinity of these reservation that are under the jurisdiction of the Department of the Interior in township 4 north, range 7 east; township 5 north, range 7 east; and township 3 north, range 7 east, Gila and Salt River base meridian, Arizona. Title to lands so added to the reservation shall be held by the United States in trust for the Fort McDowell Mohave-Apache Indian Community.

(d) Each community may, pursuant to an agreement with the Secretary, develop and operate recreational facilities along the part of the shoreline of the Orme Reservoir located on or adjacent to its reservation, including land added to the Fort McDowell Reservation as provided in subsection (b) of this section, subject to rules and regulations prescribed by the Secretary governing the recreation development of the reservoir. Recreation development of the entire reservoir and federally owned lands under the jurisdiction of the Secretary adjacent thereto shall be in accordance with a master recreation plan approved by the Secretary. Each community and the members thereof shall have non-exclusive personal rights to hunt and fish on the reservoir, to the same extent they are now authorized to hunt and fish, without charge, but shall have no right to exclude others from the reservoir except by control of access through their reservations, or any right to require payments by the public except for the use of community lands or facilities.

(e) All funds paid pursuant to this section, and any per capita distribution thereof, shall be exempt from all forms of State and Federal income taxes.

SEC. 303. (a) The Secretary is authorized and directed to continue to a conclusion appropriate engineering and economic studies and to recommend the most feasible plan for the construction and operation of hydroelectric generating and transmission facilities, the purchase of electrical energy, the purchase of entitlement to electrical plant capacity, or any combination thereof, including participation, operation, or construction by non-Federal entities, for the purpose of supplying the power requirements of the

Central Arizona Project and augmenting the Lower Colorado River Basin Fund: *Provided*, That nothing in this section or in this Act contained shall be construed to authorize the study or construction of any dams on the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam.

(b) If included as a part of the recommended plan, the Secretary may enter into an agreement with non-Federal interests proposing to construct a thermal generating powerplant whereby the United States shall acquire the right to such portion of the capacity of such plant, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the operation of the Central Arizona Project. When not required for the Central Arizona Project, the power and energy acquired by such agreement may be disposed of intermittently by the Secretary for other purposes at such prices as he may determine, including its marketing in conjunction with the sale of power and energy from Federal powerplants in the Colorado River system so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates. The agreement shall provide, among other things, that—

(1) the United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplant, and of any switchyards and transmission facilities serving the United States, as is represented by the ratios of the respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of preparation of designs and specifications, in such installments as will facilitate a timely construction schedule, but no funds other than for preconstruction activities shall be made available by the Secretary until he determines that adequate contracts have been entered into between all the affected parties covering land, water, fuel supplies, power (its availability and use), rights-of-way, transmission facilities and all other necessary matters for the thermal generating powerplant;

(2) annual operation and maintenance costs, including provisions for depreciation (except as to depreciation on the pro rata share of the construction cost borne by the United States in accordance with the foregoing clause (1)), shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing clause (1);

(3) the United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplant and appurtenances;

(4) costs to be borne by the United States under clauses (1) and (2) shall not include (a) interest and interest during construction, (b) financing charges, (c) franchise fees, and (d) such other costs as shall be specified in the agreement.

(c) No later than one year from the effective date of this Act, the Secretary shall submit his recommended plan to the Congress. Except as authorized by subsection (b) of this section, such plan shall not become effective until approved by the Congress.

(d) If the thermal generating plant referred to in subsection (b) of this section is located in Arizona, and if it is served by water diverted from the drainage area of the Colorado River system above Lee Ferry, other provisions of existing law to the contrary notwithstanding, such consumptive use of water shall be a part of the fifty thousand acre-feet per annum apportioned to the State of Ari-

zona by article III (a) of the Upper Colorado River Basin Compact (63 Stat. 31).

Sec. 304. (a) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges and, with the approval of the Secretary, State-administered wildlife management areas.

(b) (1) Irrigation and municipal and industrial under supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other arrangements whereby each such organization makes water from the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval, and the United States shall if the Secretary determines such action is desirable to facilitate carrying out the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this clause (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

(2) Any obligation assumed pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h (d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9(e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h (e)) may be on the basis of delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes.

(3) Contracts relating to municipal and industrial water supply under the Central Arizona Project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

(c) Each contract under which water is provided under the Central Arizona Project shall require that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings adequate in his judgment to prevent excessive conveyance losses; and (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the service area of a contractor receiving water from the Central Arizona Project for any use outside said contractor's service area unless

the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required. Such contracts shall be subordinate at all times to the satisfaction of all existing contracts between the Secretary and users in Arizona heretofore made pursuant to the Boulder Canyon Project Act (45 Stat. 1057).

(d) The Secretary may require in any contract under which water is provided from the Central Arizona Project that the Contractor agree to accept mainstream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (f) of this section: Provided, That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

(e) In times of shortage or reduction of mainstream Colorado River water for the Central Arizona Project, as determined by the Secretary, users which have yielded water from other sources in exchange for main stream water supplied by that project shall have a first priority to receive mainstream water, as against other users supplied by that project which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

(f) (1) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until, and shall continue only so long as, delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversions from the Gila River, its tributaries and underground water sources. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

(2) The Secretary shall further offer to contract with water users in New Mexico for water from the Gila River, its tributaries, and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of an additional thirty thousand acre-feet, including reservoir evaporation. Such further increases in consumptive use shall not begin until, and shall continue only so long as, works capable of augmenting the water supply of the Colorado River system have been completed and water sufficiently in excess of two million eight hundred thousand acre-feet per annum is available from the main stream of the Colorado River for consumptive use in Arizona to provide water for the exchanges herein authorized and provided. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

(3) All additional consumptive uses provided for in clauses (1) and (2) of this subsection shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District

Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries, and underground water sources and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

Sec. 305. To the extent that the flow of the mainstream of the Colorado River is augmented in order to make sufficient water available for release, as determined by the Secretary pursuant to article II(b)(1) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340), to satisfy annual consumptive use of two million eight hundred thousand acre-feet in Arizona, four million four hundred thousand acre-feet in California, and three hundred thousand acre-feet in Nevada, respectively, the Secretary shall make such water available to users of mainstream water in those States at the same costs (to the extent that such costs can be made comparable through the nonreimbursable allocation to the replenishment of the deficiencies occasioned by satisfaction of the Mexican Treaty burden as herein provided and financial assistance from the development fund established by section 403 of this Act) and on the same terms as would be applicable if mainstream water were available for release in the quantities required to supply such consumptive use.

Sec. 306. The Secretary shall undertake programs for water salvage and ground water recovery along and adjacent to the mainstream of the Colorado River. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary.

Sec. 307. The Dixie Project, heretofore authorized in the State of Utah, is hereby reauthorized for construction at the site determined feasible by the Secretary, and the Secretary shall integrate such project into the repayment arrangement and participation in the Lower Colorado River Basin Development Fund established by title IV of this Act consistent with the provisions of the Act: *Provided*, That section 8 of Public Law 88-565 (78 Stat. 848) is hereby amended by deleting the figure "\$42,700,000" and inserting in lieu thereof the figure "\$58,000,000".

Sec. 308. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the project works authorized pursuant to this title shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213), except as provided in section 302 of this Act.

Sec. 309. (a) There is hereby authorized to be appropriated for construction of the Central Arizona Project, including prepayment for power generation and transmission facilities but exclusive of distribution and drainage facilities for non-Indian lands, \$779,000,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved here and, in addition thereto, such sums as may be required for operation and maintenance of the project.

(b) There is also authorized to be appropriated \$100,000,000 for construction of distribution and drainage facilities for non-Indian lands. Notwithstanding the provisions of section 403 of this Act, neither appropriations made pursuant to the authorization contained in this subsection (b) nor revenues collected in connection with the operation of such facilities shall be credited

to the Lower Colorado River Basin Development Fund and payments shall not be made from that fund to the general fund of the Treasury to return any part of the costs of construction, operation, and maintenance of such facilities.

TITLE IV—LOWER COLORADO RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS: CONTRACTS

SEC. 401. Upon completion of each lower basin unit of the project herein or hereafter authorized, or separate feature thereof, the Secretary shall allocate the total costs of constructing said unit or features to (1) commercial power, (2) irrigation, (3) municipal and industrial water supply, (4) flood control, (5) navigation, (6) water quality control, (7) recreation, (8) fish and wildlife, (9) the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by performance of the Water Treaty of 1944 with the United Mexican States (Treaty Series 994), and (10) any other purposes authorized under the Federal reclamation laws. Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be non-reimbursable. The repayment of costs allocated to recreation and fish and wildlife enhancement shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213): *Provided*, That all of the separable and joint costs allocated to recreation and fish and wildlife enhancement as a part of the Dixie project, Utah, shall be nonreimbursable. Costs allocated to nonreimbursable purposes shall be nonreturnable under the provisions of this Act.

SEC. 402. The Secretary shall determine the repayment capability of Indian lands within, under, or served by any unit of the project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 464), and such costs that are beyond repayment capability of such lands shall be nonreimbursable.

SEC. 403. (a) There is hereby established a separate fund in the Treasury of the United States to be known as the Lower Colorado River Basin Development Fund (hereinafter called the "development fund"), which shall remain available until expended as herein-after provided.

(b) All appropriations made for the purpose of carrying out the provisions of title III of this Act shall be credited to the development fund as advances from the general fund of the Treasury, and shall be available for such purpose.

(c) There shall also be credited to the development fund—

(1) All revenues collected in connection with the operation of facilities authorized in title III in furtherance of the purposes of this Act (except entrance, admission, and other recreation fees or charges and proceeds received from recreation concessionaires), including revenues which, after completion of payout of the Central Arizona Project as required herein are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said project; and

(2) any Federal revenues from the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of those projects: *Provided, however*, That the Secretary is au-

thorized and directed to continue the in-lieu-of-tax payments to the States of Arizona, and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon project; and

(3) any Federal revenues from that portion of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona which, after completion of repayment requirements of the said part of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said portion of the Pacific Northwest-Pacific Southwest intertie and related facilities.

(d) All moneys collected and credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section shall be available, without further appropriation for—

(1) defraying the costs of operation, maintenance, and replacements of, and emergency expenditures for, all facilities of the projects, within such separate limitations as may be included in annual appropriation Acts; and

(2) payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 304(f) of this Act.

(e) Revenues credited to the development fund shall not be available for construction of the works comprised within any unit of the project herein or hereafter authorized except upon appropriation by the Congress.

(f) Moneys credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section in excess of the amount necessary to meet the requirements of clauses (1), and (2) of subsection (d) of this section shall be paid annually to the general fund of the Treasury to return—

(1) the costs of each unit of the projects or separable feature thereof authorized pursuant to title III of this Act, which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act within a period not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law: *Provided*, That return of the cost, if any, required by section 307 shall not be made until after the payout period of the Central Arizona Project as authorized herein;

(2) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance with the provisions of subsection (h) of this section, and interest due shall be a first charge.

(g) All revenues credited to the development fund in accordance with clause (c) (2) of this section (excluding only those revenues derived from the sale of power and energy for use in Arizona during the payout period of the Central Arizona Project as authorized herein) and such other revenues as remain in the development fund after making the payments required by subsections (d) and (f) of this section shall be available (1) to make payments, if any, as required by sections 307 and 502 of this Act, and (2), upon

appropriation by the Congress, to assist in the repayment of reimbursable costs incurred in connection with units hereafter constructed to provide for the augmentation of the water supplies of the Colorado River for use below Lee Ferry as may be authorized as a result of the investigations and recommendations made pursuant to clause 201(a) (2) and subsection 203(a) of this Act.

(h) The interest rate applicable to those portions of the reimbursable costs of each unit of the project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such unit, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

(i) Business-type budgets shall be submitted to the Congress annually for all operations financed by the development fund.

SEC. 404. On January 1 of each year the Secretary shall report to the Congress, beginning with the fiscal year ending June 30, 1969, upon the status of the revenues from and the cost of constructing, operating, and maintaining each lower basin unit of the project for the preceding fiscal year. The report of the Secretary shall be prepared to reflect accurately the Federal investment allocated at that time to power, to irrigation, and to other purposes, the progress of return and repayment thereon, and the estimated rate of progress, year by year, in accomplishing full repayment.

TITLE V—UPPER COLORADO RIVER BASIN AUTHORIZATION AND REIMBURSEMENTS

SEC. 501. (a) In order to provide for the construction, operation, and maintenance of the Animas-La Plata Federal reclamation project, Colorado-New Mexico; the Dolores, Dallas Creek, West Divide, and San Miguel Federal reclamation projects, Colorado; and the Central Utah project (Utah unit), Utah, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), and to provide for the completion of planning reports on other participating projects, clause (2) of section 1 of said Act is hereby further amended by (i) inserting the words "and the Uintah unit" after the word "phase" within the parentheses following "Central Utah", (ii) deleting the words "Pine River Extension" and inserting in lieu thereof the words "Animas-La Plata, Dolores, Dallas Creek, West Divide, San Miguel", (iii) adding after the words "Smith Fork:" the proviso "*Provided*, That construction of the Uintah unit of the Central Utah project shall not be undertaken by the Secretary until he has completed a feasibility report on such unit and submitted such report to the Congress along with his certification that, in his judgment, the benefits of such unit or segment will exceed the costs and that such unit is physically and financially feasible:". Section 2 of said Act is hereby further amended by (i) deleting the words "Parshall, Troublesome, Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers Extension, Animas-La Plata", and inserting after the words "Yellow Jacket" the words "Basalt, Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomichi Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units)"; (ii) by inserting after the word "Sublette" the words "(including a diversion of water from the Green River to the North Platte River Basin in Wyoming), Ute Indian unit of the Central Utah Project, San Juan County (Utah),

Price River, Grand County (Utah), Gray Canyon, and Juniper (Utah)"; and (iii) changing the period after "projects" to a colon and adding the following proviso: "Provided, That the planning report for the Ute Indian unit of the Central Utah participating project shall be completed on or before December 31, 1974, to enable the United States of America to meet the commitments heretofore made to the Ute Indian Tribe of the Uintah and Ouray Indian Reservation under the agreement dated September 20, 1965 (Contract Numbered 14-06-W-194)". The amount which section 12 of said Act authorizes to be appropriated is hereby further increased by the sum of \$392,000,000, plus or minus such amounts, if any, as may be required, by reason of changes in construction costs as indicated by engineering cost indices applicable to the type of construction involved. This additional sum shall be available solely for the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel projects herein authorized.

(b) The Secretary is directed to proceed as nearly as practicable with the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel participating Federal reclamation projects concurrently with the construction of the Central Arizona Project, to the end that such projects shall be completed not later than the date of the first delivery of water from said Central Arizona Project: *Provided*, That an appropriate repayment contract for each of said participating projects shall have been executed as provided in section 4 of the Colorado River Storage Project Act (70 Stat. 107) before construction shall start on that particular project.

(c) The Animas-La Plata Federal reclamation project shall be constructed and operated in substantial accordance with the engineering plans set out in the report of the Secretary transmitted to the Congress on May 4, 1966, and printed as House Document 436, Eighty-ninth Congress: *Provided*, That construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

"ANIMAS-LA PLATA PROJECT COMPACT"

"The State of Colorado and the State of New Mexico, in order to implement the operation of the Animas-La Plata Federal Reclamation Project, Colorado-New Mexico, a proposed participating project under the Colorado River Storage Project Act (70 Stat. 105), and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and have agreed upon the following articles:

"Article I

"A. The right to store and divert water in Colorado and New Mexico from the La Plata and Animas River systems, including return flow to the La Plata River from Animas River diversions, for uses in New Mexico under the Animas-La Plata Federal Reclamation Project shall be valid and of equal priority with those rights granted by decree of the Colorado state courts for the uses of water in Colorado for that project, providing such uses in New Mexico are within the allocation of water made to that state by articles III and XIV of the Upper Colorado River Basin Compact (63 Stat. 31).

"B. The restrictions of the last sentence of Section (a) of Article IX of the Upper Colorado River Basin Compact shall not be construed to vitiate paragraph A of this article.

"Article II

"This Compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States."

(d) The Secretary shall, for the Animas-La Plata, Dolores, Dallas Creek, San Miguel, West Divide, and Seedskadee participating projects of the Colorado River storage project, establish the nonexcess irrigable acreage for which any single ownership may receive project water at one hundred and sixty acres of class 1 land or the equivalent thereof, as determined by the Secretary, in other land classes.

(e) In the diversion and storage of water for any project or any parts thereof constructed under the authority of this Act or the Colorado River Storage Project Act within and for the benefit of the State of Colorado only, the Secretary is directed to comply with the constitution and statutes of the State of Colorado relating to priority of appropriation; with State and Federal court decrees entered pursuant thereto; and with operating principles, if any, adopted by the Secretary and approved by the State of Colorado.

(f) The words "any western slope appropriations" contained in paragraph (1) of that section of Senate Document Numbered 80, Seventy-fifth Congress, first session, entitled "Manner of Operation of Project Facilities and Auxiliary Features", shall mean and refer to the appropriation heretofore made for the storage of water in Green Mountain Reservoir, a unit of the Colorado-Big Thompson Federal reclamation project, Colorado; and the Secretary is directed to act in accordance with such meaning and reference. It is the sense of Congress that this directive defines and observes the purpose of said paragraph (1), and does not in any way affect or alter any rights or obligations arising under said Senate Document Numbered 80 or under the laws of the State of Colorado.

SEC. 502. The Upper Colorado River Basin Fund established under section 5 of the Act of April 11, 1956 (70 Stat. 107), shall be reimbursed from the Colorado River Development Fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 755) for the money expended heretofore or hereafter from the Upper Colorado River Basin Fund to meet deficiencies in generation at Hoover Dam during the filling period of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose, \$500,000 for each year of operation of Hoover Dam and powerplant, commencing with the enactment of this Act, shall be transferred from the Colorado River Development Fund to the Upper Colorado River Basin Fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin Fund from the Lower Colorado River Basin Development Fund, as provided in subsection (g) of section 403.

TITLE VI—GENERAL PROVISIONS: DEFINITIONS: CONDITIONS

SEC. 601. (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994), the decree entered by the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774) or the Colorado River Storage Project Act (70 Stat. 1053).

(b) The Secretary is directed to—

(1) make reports as to the annual consumptive uses and losses of water from the

Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1970. Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and the Governors of each State signatory to the Colorado River Compact;

(2) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River Compact.

(c) All Federal officers and agencies are directed to comply with the applicable provisions of this Act, and of the laws, treaty, compacts, and decree referred to in subsection (a) of this section, in the storage and release of water from all reservoirs and in the operation and maintenance of all facilities in the Colorado River system under the jurisdiction and supervision of the Secretary, and in the operation and maintenance of all works which may be authorized hereafter for the augmentation of the water supply of the Colorado River system. In the event of failure of any such officer or agency to so comply, any affected State may maintain an action to enforce the provisions of this section in the Supreme Court of the United States and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

SEC. 602. (a) In order to fully comply with and carry out the provisions of the Colorado River Compact, the Upper Colorado River Basin Compact, and the Mexican Water Treaty, the Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River Storage Project Act, the Boulder Canyon Project Act, and the Boulder Canyon Project Adjustment Act. To effect in part the purposes expressed in this paragraph, the criteria shall make provisions for the storage of water in storage units of the Colorado River Storage Project and releases of water from Lake Powell in the following listed order of priority:

(1) Releases to supply one-half the deficiency described in article III(c) of the Colorado River Compact, if any such deficiency exists and is chargeable to the States of the Upper Division, but in any event such releases, if any, shall not be required in any year that the Secretary makes the determination and issues the proclamation specified in section 202 of this Act.

(2) Releases to comply with article III(d) of the Colorado River Compact, less such quantities of water delivered into the Colorado River below Lee Ferry to the credit of the States of the Upper Division from other sources.

(3) Storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three Lower Division States and taking into consideration all relevant factors (including, but not limited to, historic streamflows, the most critical period of record, and probabilities of water supply), shall find this to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River Compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the Lower Division to the uses specified in article III(e) of the Colorado River Compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead

equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

(b) Not later than January 1, 1970, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the Governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than July 1, 1970, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1972, and yearly thereafter, the Secretary shall transmit to the Congress and to the Governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the Governors of the seven Colorado River Basin States and appropriate consultation with such State representatives as each Governor may designate.

(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

SEC. 603. (a) Rights of the upper basin to the consumptive use of water available to that basin from the Colorado River system under the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin.

(b) Nothing in this Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission.

SEC. 604. Except as otherwise provided in this Act, in constructing, operating, and maintaining the units of the projects herein and hereafter authorized, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

SEC. 605. Part I of the Federal Power Act (41 Stat. 1063; 16 U.S.C. 791a-823) shall not be applicable to the reaches of the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam until and unless otherwise provided by Congress.

SEC. 606. As used in this Act, (a) all terms which are defined in the Colorado River Compact shall have the meanings therein defined;

(b) "Main stream" means the main stream of the Colorado River downstream from Lee Ferry, within the United States, including the reservoirs thereon;

(c) "User" or "water user" in relation to main-stream water in the lower basin means the United States or any person or legal entity entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340) to use main-stream water when available thereunder;

(d) "Active storage" means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works;

(e) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming; and

(f) "Augment" or "augmentation", when used herein with reference to water, means to increase the supply of the Colorado River or its tributaries by the introduction of water into the Colorado River system, which is in addition to the natural supply of the system.

Mr. ASPINALL (during the reading). Mr. Chairman, I ask unanimous consent that the committee substitute amendment be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

Mr. FOLEY. Mr. Chairman, reserving the right to object, is it the intention of the distinguished chairman of the Committee on Interior and Insular Affairs to proceed under the 5-minute rule at this time?

Mr. ASPINALL. No. I can say to my colleague that this will end our work for today.

Mr. FOLEY. Then, Mr. Chairman, I withdraw my reservation.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3300) to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes, had come to no resolution thereon.

LEGISLATIVE PROGRAM FOR BALANCE OF THE WEEK

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

Mr. ARENDS. Mr. Speaker, I take this time to inquire of the distinguished majority leader if there are any announcements he cares to make relative to the program for the rest of the week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I am glad to yield to the gentleman.

Mr. ALBERT. Mr. Speaker, we will continue with the program as announced previously except that the interstate taxation bill will not be called up this week. However, I would like to advise the gentleman, for the edification of the House, that after consulting with the distinguished chairman of the Committee on Ways and Means we can advise the House that the tax bill conference report will not be called up before the Memorial Day holiday.

Mr. ARENDS. I thank the gentleman.

THE LATE HONORABLE LOUIS GARY CLEMENTE

(Mr. HALPERN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HALPERN. Mr. Speaker, on Monday of this week the Nation suffered a great loss. A beloved and esteemed former Member of this House, L. Gary

Clemente, died of an incurable cancer at Mary Immaculate Hospital in Jamaica, N.Y.

Gary Clemente served with distinction, from 1945 through 1948, as a member of New York's City Council. Few men in the history of that body scored as outstanding a record of achievement as did Gary Clemente.

Then, from 1949 through 1952 he made an enviable mark as a member of this House, representing the then Fifth District of New York in my our county of Queens.

As a Congressman, Gary Clemente's contributions toward a better community and a better America were notable. His great works and good deeds are recorded in the annals of congressional history and serve as an permanent tribute to one of life's truly beautiful human beings.

As a civic crusader, as a lawyer, as a public servant and as a soldier, Gary Clemente was a tireless, determined fighter for the causes he believed. His military career was brilliant and his work in Army intelligence and as an Army judge advocate won wide acclaim for him.

Despite his boundless activities in public, charitable, professional, and civic life, Gary Clemente always found time to devote to his dear wife, the former Ruth Sonnefeld, and their nine wonderful children.

To them we extend our heartfelt sympathy and assure them that the love and esteem that this humble, compassionate man had achieved shall be everlasting.

THE LATE HONORABLE LURLEEN BURNS WALLACE

(Mr. ANDREWS of Alabama asked and was given permission to address the House for 1 minute.)

Mr. ANDREWS of Alabama. Mr. Speaker, Alabama suffered a severe blow in the wee hours of May 7 when our 47th Governor, Mrs. Lurleen Burns Wallace, died. For weeks it had been obvious that the end of the short life of Lurleen Wallace would be soon. And yet no one is ever prepared for the finality of death.

She died at an age when most mothers can begin to relax and enjoy the families they have ministered to and cared for during long years when there seemed no end to the drudgery. This was tragic for her but profoundly more tragic for the husband and children who must live without her. The courage and indomitable will of Mrs. Wallace in her long fight against cancer are gifts of example she bequeathed to every Alabamian, every American.

Lurleen was, in a very real sense, a queen untouched by the swirl and heat of partisan politics. She was sui generis, and died with the affection and grief of virtually every Alabamian, regardless of political persuasion. Queens die proudly, and I believe she did, serene in the knowledge that surely the greatest of her contributions was the compassionate interest which led to major advances in mental health. Still fresh in the memory of most Alabamians is the scene of her

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OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
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Issued May 17, 1968
For actions of May 16, 1968
90th-2nd; No. 84

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HIGHLIGHTS: House committee reported Interior appropriation bill (includes Forest Service). Senate committee reported bills on food stamp, Cradle of Forestry, emergency credit, Kerr Memorial, and watershed construction. Sen. Mondale introduced and discussed domestic food assistance bill. Sen. Nelson introduced and discussed wilderness bill.

HOUSE

1. APPROPRIATIONS. The Appropriations Committee reported H. R. 17354, the Interior and related agencies appropriation bill, 1969 (H. Rept. 1395) (p. H3924). A table reflecting the items for the Forest Service and significant excerpts from the report are attached to this Digest.

2. RECLAMATION. Passed with amendments S. 1004, to authorize the construction, operation, and maintenance of the Colorado River Basin project. Adopted an amendment by Rep. Saylor to direct Interior "to find the most economical means of augmenting the water supply available in the Colorado River" (pp. H387D-42). Rejected amendments by Rep. Harrison "to provide that by... January 1, 1990,...in a specific amount, 4 million acre-feet, water will be supplied to augment the dwindling supply of the Colorado River system" (pp. H3874-79); by Rep. Saylor, 45-89, to substitute an alternative damsite, Conner site, for the Hooker site "to avoid...threat to the wilderness area" (pp. H3879-81); and by Rep. Saylor to authorize only two projects in Colorado (pp. H3881-3). A motion by Rep. McClure to recommit the bill was rejected (p. H3887). H. R. 3300, a similar bill, was tabled. pp. H3870-92
3. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H. R. 15395, to provide salary step advancements and adjustments for employees moving to and from different pay systems (H. Rept. 1393). p. H3924
The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 17267, to remove persons from Federal employment who engage in unlawful acts connected with riots or civil disorders. p. D445
4. CONSUMER CREDIT. The conferees on S. 5, the truth-in-lending bill, were granted until midnight May 18 to report. p. H3869
Rep. Patman inserted a summary of the truth-in-lending bill. pp. H3921-2
5. MANPOWER. Received from the Post Office and Civil Service Committee a report on manpower management in the Federal Government (H. Rept. 1392). p. H3924
6. ST. LAWRENCE SEAWAY. Both Houses received from the President the annual report of the St. Lawrence Seaway Development Corporation (H. Doc. 312); to Public Works Committees. The President stated the Seaway had its second best year in nine years of operations and has "placed Midwest ports on the sealanes of the world." pp. H3870, S5683
7. EXPORT-IMPORT. The Banking and Currency Committee voted to report (but did not actually report) H. R. 16162, to enable the Export-Import Bank to extend loans, guarantees, and insurance in certain cases. p. D444
8. WILDLIFE. The Merchant Marine and Fisheries Committee voted to report (but did not actually report) H. R. 11026, to facilitate the conduct of the fish and wildlife conservation and rehabilitation program; and S. 322, to restrict the disposition of lands acquired as part of the National Wildlife Refuge System. p. D445
9. BUILDINGS. A subcommittee of the Public Works Committee approved for full committee action H. R. 6589, amended, to require Federal buildings to be reasonably accessible to physically handicapped persons. p. D445



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PROCEEDINGS AND DEBATES OF THE 90th CONGRESS, SECOND SESSION

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Vol. 114

WASHINGTON, THURSDAY, MAY 16, 1968

No. 84

House of Representatives

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

We know that in everything God works for good with those who love Him.—Romans 8: 28.

Eternal Spirit of God, the light of the minds that seek Thee, the life of the spirits that find Thee, and the love of the souls that serve Thee, grant unto us a renewal of heart as we wait upon Thee in this our morning prayer. By Thy spirit make us ready for the responsibilities of this day, equal to every experience and adequate to serve the present age.

The world around us is full of the rumblings of discontent and disturbances which breed disorder. In these hours help us to keep our faith, that strong in Thee we may face these facts courageously and confidently, ever seeking liberty and justice and peace for all.

Bless our land with Thy favor and strengthen us to walk in the way of Thy commandments: through Jesus Christ our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO FILE CONFERENCE REPORT ON S. 5 BY MIDNIGHT, MAY 18

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the amendments of the House to S. 5, the Consumer Credit Protection Act, known as the Truth in Lending Act, may have until midnight on Saturday, May 18, to file the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMISSION ON THE ESTABLISHMENT OF AN AFRICAN INSTITUTE FOR CULTURAL AND TECHNICAL INTERCHANGE

(Mr. O'HARA of Illinois asked and was given permission to address the House for 1 minute.)

Mr. O'HARA of Illinois. Mr. Speaker, in the next few days I will introduce a bill providing for the establishment of a Commission on the Establishment of an African Institute for Cultural and Technical Interchange. I invite my colleagues in the House of Representatives who believe in the future of Africa to join as sponsors of this bill.

The time is now for all in our United States to recognize that Africa's role in tomorrow's world will be significant.

There are already in existence two institutions which make possible cultural and technical interchange between our country and the nations of Asia and our country and the nations of Latin America. There seems valid and compelling reason for the existence of an institute to accomplish these identical aims between our country and the nations of Africa.

The bill I will introduce establishes a commission to determine whether such a need is real at this time, and how best to accomplish it. It makes no provision for the actual establishment of such an institute until an in-depth study first ascertains whether or not justification exists.

I hope I may count on your support.

LOAN-SHARK AMENDMENT

(Mr. POFF asked and was given permission to address the House for 1 minute.)

Mr. POFF. Mr. Speaker, I am delighted to report that conferees on the truth-in-lending bill have reached final accord on the form of the loan-shark amendment adopted by the House.

Although my separate bill on loan sharking had been pending for a considerable time, the Committee on the Judiciary had not been able to find time in its busy schedule to hold public hearings prior to floor action on the amendment. However, since the day the House acted, earnest efforts have been made to elicit the views and advice of representatives of a broad spectrum of the financial world. Legal craftsmen in the Congress and the Department of Justice have brought a wealth of talent to bear upon the issue. Doubtless, the final product will not fully please everyone. It may be too broad for some and too narrow for others.

Yet, I am confident that the new form will preserve the essential substance of the original House amendment; that it will effectively reach its intended target, the heartless loan shark of organized crime who preys upon destitute and desperate people; and that it will not jeopardize the lawful operations of legitimate lending institutions.

PERSONAL ANNOUNCEMENT

Mr. CHAMBERLAIN. Mr. Speaker, it was necessary for me to be absent on May 2. For that reason I am not recorded on rollcall No. 113. I would like the RECORD to show that had I been present, I would have voted "yea."

CALL OF THE HOUSE

Mr. ASPINALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 141]

Baring	Hagan	Morse, Mass.
Bell	Hall	Olsen
Bolton	Halleck	O'Neill, Mass.
Broomfield	Hanley	Passman
Cabell	Hardy	Pool
Carter	Hawkins	Purcell
Clark	Hébert	Rarick
Collier	Holland	Resnick
Colmer	Howard	Rivers
Conyers	Irwin	Rosenthal
Cramer	Karsten	Scheuer
Culver	Kee	Selden
Dawson	Kelly	Skubitz
Downing	Kuykendall	Stubblefield
Eckhardt	Long, La.	Taft
Esch	Long, Md.	Teague, Calif.
Fraser	McDonald,	Teague, Tex.
Frelinghuysen	Mich.	Tenzer
Gettys	Mailliard	Vander Jagt
Griffin	Mayne	Wilson,
Gross	Moore	Charles H.
Gurney	Moorhead	Young

The SPEAKER. On this rollcall 371 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Geisler, one of his secretaries.

(Mr. PUCINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

[Mr. PUCINSKI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

THE 1967 ANNUAL REPORT OF THE ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 312)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Public Works and ordered to be printed:

To the Congress of the United States:

It is my pleasure to submit to Congress the 1967 Annual Report of the Saint Lawrence Seaway Development Corporation.

The Seaway had its second best year in nine years of operations—registering a total of 44 million tons of cargo. The record season for Seaway tonnage was 1966 when 49.2 million tons were moved through the Montreal-Lake Ontario waterway. We hoped that the Seaway would reach the 50-million ton mark in 1967, but a strike plus some slackening in demand for grain, resulted in reduced traffic.

While overall tonnage was somewhat disappointing, there are many bright spots in the report. General cargo, for example, increased to six million tons from 5.5 million. Iron ore shipments also were higher with 16.4 million tons moving through the Seaway locks to the steel mills of the Midwest. These increases indicate the growing appreciation of the waterway's advantages as a means of reducing transportation costs.

The Seaway has truly placed Midwest ports on the sealanes of the world. More than 600 salt-water vessels made 1,284 trips into the Lakes in 1967.

However, reduced traffic, along with an adjustment in the division of toll revenue between Canada and the United States caused income to fall from \$7.1 million to \$6.1 million.

Despite this loss, \$4 million was returned to the U.S. Treasury. This makes a total repayment of \$28.9 million since the Seaway opened in 1959.

A major concern of the Corporation is the need to repair Eisenhower Lock. The Corporation retained the Corps of Engineers to direct the work which will continue until 1971. Fortunately, it will not interfere with the navigation seasons. In my budget for fiscal year 1969, I requested that funds be made available to cover the cost of repair.

I commend this report to your attention.

LYNDON B. JOHNSON.

THE WHITE HOUSE, May 16, 1968.

COLORADO RIVER BASIN PROJECT

Mr. ASPINALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3300) to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 3300, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on yesterday, it had agreed that the committee substitute amendment would be considered as read and open to amendment at any point.

For what purpose does the gentleman from Oklahoma [Mr. EDMONDSON], a member of the committee, rise?

Mr. EDMONDSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, initially I would like to compliment the chairman of the full Committee on Interior and Insular Affairs, the Honorable WAYNE N. ASPINALL, for the outstanding presentation which was made yesterday in behalf of this legislation.

I think the record that has been made on the floor of the House in support of this bill is a splendid one. I am proud of the work that the full committee has done on both sides of the aisle on this particular bill.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman.

Mr. WILLIS. I want to join the gentleman in complimenting our good friend, WAYNE ASPINALL, the chairman of the Committee on Interior and Insular Affairs.

I have never heard or learned of Chairman ASPINALL bringing a bill before this body which was unworthy of consideration. Despite some of the complaints that one might hear in the cloakroom, and here and there, about this bill, I do want to say this—if it is good enough for WAYNE ASPINALL, it is good enough for ED WILLIS.

Mr. EDMONDSON. I thank the gentleman for his remarks.

I do believe this is a remarkable piece of legislative work that has been brought to the floor of the House, and a great share of the credit must go to the chairman of the full committee.

Yesterday the chairman of the full committee, in his presentation, made reference to the purpose of title II, "to assemble all of the relevant facts with respect to water availability and future water needs for all river basins draining into the Pacific Ocean, whether they are water-short areas or water-surplus areas."

The purpose of my taking this time is to receive an assurance, if I can, from the chairman of the full committee, that this language makes it quite clear that the Secretary of the Interior would not go beyond the area of the reclamation States in connection with the survey authorized by title II.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman.

Mr. ASPINALL. First, may I accept the accolades that were thrown my way? But may I also state that the work on this bill was a committee operation? Even those who are in opposition to some of the provisions of the bill deserve credit for bringing the bill out and making the record which was made yesterday.

Now, if I may answer my colleague, the gentleman from Oklahoma [Mr. EDMONDSON]. He is correct in his interpretation. When we refer to "westwide," we mean the western part of the United States, or the reclamation area. Of course, this particular provision, or the particular area covered by the studies authorized here, would be those basins which flow into the Pacific Ocean.

Mr. EDMONDSON. I thank the chairman very much.

AMENDMENT OFFERED BY MR. RHODES OF ARIZONA

Mr. RHODES of Arizona. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RHODES of Arizona: On page 59, lines 7 and 8, strike out the words "may, pursuant to an agreement with the Secretary," and insert in lieu thereof the words: "shall have a right, in accordance with plans approved by the Secretary, to".

Mr. ASPINALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ASPINALL. Are we considering amendments to the bill by title or to a particular title?

The CHAIRMAN. The committee is considering the bill on the basis of its being open to amendment at any point.

Mr. ASPINALL. All the way through the bill?

The CHAIRMAN. All the way through the bill.

Mr. ASPINALL. I thank the Chairman.

The CHAIRMAN. The gentleman from Arizona is recognized for 5 minutes.

Mr. RHODES of Arizona. Mr. Chairman, under section 302(a), the Secretary of the Interior is authorized to acquire either fee title to, or easements over, lands within the Fort McDowell and Salt River Reservations for the Orme Dam and Reservoir. The purpose of my amendment is to make clear, as I understand the committee intended, that the two Indian communities involved may not be prevented from developing and operating recreation facilities within their reservations—particularly on lands to which the United States has acquired only flowage easements—by arbitrary action of some future Secretary of the Interior.

Even with my proposed change, the first sentence of section 302(d) still provides that recreation development by the two Indian communities shall be "subject to rules and regulations prescribed by the Secretary governing the recreation development of the reservoir," and the second sentence further provides that recreation development of the entire reservoir, including Indian lands, "shall be in accordance with a master recreation plan approved by the Secretary."

Moreover section 302(b) provides that any use or lease of land by the Indians must be consistent "with the construction, operation, and maintenance of the project, as determined by, and under terms and conditions prescribed by, the Secretary," and, of course, any lease also must be approved by the Secretary under existing law—25 United States Code 415.

In short, my amendment frees the two Indian communities from the threat of arbitrary administrative action, but still leaves them subject to all reasonable controls to protect the interests of the United States in the project and to insure that recreation development will be in accordance with the Interior Department's master recreation plan for the reservoir.

Mr. Chairman, I might say parenthetically that, contrary to popular belief, I have only a few Indians in my district. This amendment is offered as a benefit for two Indian groups who live in the First District of Arizona.

One of them is the Salt River Indians, a rather populous tribe with a reservation which is in a very strategically located part of my district. The other is the Fort McDowell group. This group, on the other hand, is not affluent. In fact, this is the band about which the Secretary of the Interior remarked not too many weeks ago that it could not hire an attorney, so he had to be its attorney.

I am joining my illustrious friend, the Secretary of the Interior, as the attorney for the Fort McDowell Tribe and the Salt River Tribe today.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to my good friend from Florida.

Mr. HALEY. Mr. Chairman, I would like to say to the gentleman from Arizona [Mr. RHODES] that I do not have one Indian in my congressional district. Nevertheless, may I say that I believe this really accomplishes what the Subcommittee on Indian Affairs wanted to accomplish. The original amendment to this bill was the amendment that I offered and was adopted, and I think certainly this clarifies the intention and gives the right; instead of saying "may" do something, it says "shall" do something. I think the gentleman's amendment would do just exactly what the subcommittee sought and hoped it was doing in the language we put in the bill. I wish to thank the gentleman for offering the amendment, which I believe really clarifies what we intended to do.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Colorado.

Mr. ASPINALL. I wish to thank the gentleman for advising the chairman of the Committee on Interior and Insular Affairs of his intention to offer this amendment in the committee, thus giving us the opportunity to examine the amendment.

I believe that the language of the bill as reported by the committee is more than generous in its treatment of the Indians. Section 302 provides for Federal acquisition of the Indian lands needed for the Orme Dam and Reservoir. The United States will pay the full fair market value of the land. While the plans are not complete, it may be necessary to acquire as many as 15,000 acres at a possible cost of \$2,000 per acre, which is a possible total of \$30,000,000 for the land. Only 400 Indians are members of the Fort McDowell community, where most of the land will be acquired, which means that the payment for the land may amount to as much as \$75,000 for each Indian man, woman, and child if applied on a per capita basis.

In addition, the section authorizes the payment of not to exceed \$500,000 for relocating the 53 homes and tribal facilities that must be moved. This is a gratuity, because the full value of the improvements will be paid as a part of the land acquisition.

In addition, the section authorizes the Secretary to give the Fort McDowell community 2,500 acres of Federal land. This also is a gratuity.

In addition, subsection (d) provides that each Indian community may, pursuant to an agreement with the Secretary, develop and operate recreational facilities on the federally acquired lands along the reservoir shoreline adjoining their reservations. The facilities must be in accordance with a master recreation plan approved by the Secretary.

The Indians are dissatisfied with this language in two respects:

First. They want a "right," rather than "permission" from the Secretary, to develop the recreation facilities on the Federal land; and

Second. They do not want their right to be made contingent upon an agreement with the Secretary. They say that it is enough if their developments conform to the master plan, and that they should be able to proceed with developments on the Federal land without any agreement with the Secretary regarding specifics.

It is the purpose of subsection (d) to give the Indians every opportunity and encouragement to undertake the recreational development of Federal lands on their side of the reservoir. There is no difference of opinion about this objective. It is unreasonable, however, to permit them to proceed with development, without an agreement with the Secretary, in the hope that the development when completed will be in accordance with the master plan. If the development should turn out to be incompatible with the master plan it would be difficult for the Secretary to do anything about it. If the development were undertaken pursuant to an agreement, however, as the bill provides, the chance of conflict would disappear.

I agree that the Indians should be permitted to undertake any recreation development on the Federal lands along their part of the shoreline that they want to undertake, if the development is in accord with the master plan. I also believe, however, that each particular development should be based on an advance agreement with the Secretary in order to assure compliance.

The amendment offered by the gentleman from Arizona changes the requirement for an advance agreement between the Indians and the Secretary to a requirement that the Indian development must be in accordance with plans approved by the Secretary. This is a clarification of the language in the bill, and I have no objection to it.

The amendment also changes the word "may" to "shall have a right." I regard this change as unobjectionable because under either form of the language the Indian development must be based on plans approved by the Secretary.

I therefore am willing to accept the gentleman's amendment.

(Mr. ASPINALL asked and was given permission to revise and extend his remarks.)

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. RHODES].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SAYLOR

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: On page 53, line 13, change the period to a colon, and insert the following: "Provided, That the satisfaction of the requirements of the Mexican Water Treaty (Treaty Series 994, 59 Stat. 1219), shall be from the waters of the Colorado River pursuant to the treaties, laws, and compacts presently relating thereto, until such time as a feasibility plan showing the most economical means of augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet shall be authorized by the Congress."

(Mr. SAYLOR asked and was given permission to revise and extend his remarks.)

Mr. SAYLOR. Mr. Chairman, yesterday in the general debate on this bill, those of us who spoke against it said that one of the real defects in the present bill is that it has in a sense an open-ended authorization. The amendment which I have offered closes one of those open ends.

This proviso will tell the Secretary of the Interior to proceed with his plans, authorized in title II of the bill. He is directed to find the most economical means of augmenting the water supply available in the Colorado River, which is short by at least 2.5 million acre-feet. When he finds the most economical means, he is to report back to the Congress, and, when the Congress authorizes that project, it can then proceed.

No one knows what the total cost might be. One of the principal reasons that some of us have objected to the bill as it was drafted by the committee is that it left this tremendous question of fu-

ture cost, ranging from low estimates of \$2.5 billion to high estimates of \$23.5 billion. The total amount that our committee has been advised the feasibility research will take is approximately \$12 million.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the chairman of the full committee, the gentleman from Colorado.

Mr. ASPINALL. Mr. Chairman, my colleague has again been very cooperative with his chairman. He has shown his chairman and others of the staff and of the committee this amendment.

What this amendment attempts to do, if I understand correctly, is to state a policy which is in keeping with other policies that have to do with other river basins. We also state that this basin must continue to furnish the water of the Mexican water burden until there is a satisfactory feasible report together with an authorization, and, when the authorization takes place, it must take place for at least the minimum of the 2.5 million that is provided in this bill, and it cannot be understated. Is that correct?

Mr. SAYLOR. That is correct.

Mr. ASPINALL. It does not attempt to take any position on the position of the upper basin, that under the compact they are not burdened with any debris at all from the river.

Mr. SAYLOR. That is correct. This does not attempt to solve the problem of the upper basin against the lower basin.

This is only an attempt to solve the problem of the burden on the river with respect to the Mexican Water Treaty.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield further?

Mr. SAYLOR. I yield.

Mr. ASPINALL. Once again I say to my colleague, he has been very cooperative. I believe this will remove a great deal of the fear which was expressed in the debate yesterday. As chairman of the committee, I am willing to accept the amendment.

Mrs. MAY. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to the gentlewoman from Washington.

Mrs. MAY. If I understand the gentleman's amendment, he is here asking a feasibility study be made. This would authorize a feasibility study, although nothing could be done under this section of the bill until that feasibility study was authorized; is that correct?

Mr. SAYLOR. Nothing shall be done until the feasibility report is made by the Secretary showing the most economical means of augmenting the supply of the river, and then the Congress must approve and act upon that report.

Mrs. MAY. But, in any event, we would still be authorizing a feasibility study without a previous reconnaissance study. We do not know what the cost of this is going to be, as is true in the usual procedure of having a reconnaissance study before we go into the feasibility study. I am correct in that?

Mr. SAYLOR. The gentlewoman is correct in that this authorizes a feasibility study. It does also authorize a reconnaissance study.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. SAYLOR was allowed to proceed for 5 additional minutes.)

Mr. SAYLOR. However, it will be up to some succeeding Congress to take a look at the report which the Secretary will present. The Secretary of the Interior and the Bureau of Reclamation, in testimony before our committee, stated that in their opinions a feasibility study of this nature would cost in the neighborhood of \$12 million.

Mrs. MAY. I should like to point out one thing to the gentleman, in all fairness. I want to be sure I am correct. Upon the adoption of the amendment—for which I should like to thank the gentleman, because I believe in some ways it partially corrects a situation about which we are all concerned—I should like to point out that we still would not be giving this body an opportunity to again review a reconnaissance study before we OK'd expenditure on a feasibility study, as we ordinarily do for most projects of this sort.

Mr. SAYLOR. I must concede to my colleague that this is correct.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the chairman of my committee.

Mr. ASPINALL. This section has to be read in conformity with the previous section. The previous section calls for a reconnaissance study first. The reconnaissance study must precede any feasibility study and report.

The only thing involved here is whether or not a reconnaissance study sufficient within itself can cause the Secretary then to go ahead with the feasibility report.

In my opinion, and in the way our committee has worked throughout the years, there will be no feasibility report until we get to see that reconnaissance report and to see whether or not it shows feasibility. Is that not correct, I ask the gentleman?

Mr. SAYLOR. I say to the Members of the House that this has been the policy of the chairman of the full committee, Mr. ASPINALL, which he has followed. I have concurred in that policy ever since he has been the chairman of the committee.

Mr. ASPINALL. What is involved here is that we go ahead and make this a one-package operation. If the reconnaissance report does show feasibility possibility, then the report would be prepared.

The reason for this is that 3 or 4 years ago we changed the procedures in the Congress, establishing the procedure that they have to come to Congress for authorization of feasibility reports. Up to that time it could have been done anyhow; is that not correct?

Mr. SAYLOR. That is correct. Until the action of the committee in bringing that bill to the floor to change the procedure, the Department would go ahead on its own and make feasibility reports.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Washington.

Mr. FOLEY. To clarify the gentleman's amendment, at such time as the committee and the Congress received a feasibility report, if it is authorized by this legislation, nothing would take place under the amendment until that feasibility report was acted upon, if there were a feasible plan being approved; is that correct?

Mr. SAYLOR. That is correct.

Mr. FOLEY. Now, if the Congress should approve a feasibility plan for the augmentation of the river by 2.5 million acre-feet, what then would occur with respect to the burden of the Mexican Water Treaty?

Mr. SAYLOR. Then it would be a national obligation under the terms of this section as amended.

Mr. FOLEY. You are proposing, then, that this section, section 202, shall be suspended unless the Congress shall later authorize a feasibility plan with respect to the 2.5 million acre-feet? Is that the sense of your amendment?

Mr. SAYLOR. That is the effect of this amendment.

Mr. FOLEY. And in no way would the legislation operate presently to assume the Mexican Water Treaty as a national burden? Is that correct?

Mr. SAYLOR. That is correct.

Mr. FOLEY. That whole question would be left to a later time?

Mr. SAYLOR. That is correct.

Mr. McCLURE. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to my colleague from Idaho.

Mr. McCLURE. If I understand it correctly by the statements made by the chairman of the full committee and by your statement, this amendment which you are now offering does not go to the question of reconnaissance surveys versus feasibility studies, but this is carried in a different section of the bill. If I understood the remarks of the chairman correctly, he stated that this or a future Congress would have the opportunity of looking at that reconnaissance survey between the time it was made and the time a feasibility study was carried forward by the Secretary.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I will be happy to yield to the chairman.

Mr. ASPINALL. That is exactly what I said. The reconnaissance study is in a previous section of this bill. That is the reason why it was doubled up as I explained to my colleagues yesterday and today. This is so that we can speed up a study without having to come back to another Congress which will later on have an opportunity to act on it, anyway.

Mr. McCLURE. If the gentleman will yield further, I want to make sure I understand the chairman's former remarks that this Congress or a future one would have the opportunity at least to look at the reconnaissance survey between the time it was made and the Secretary went forward with a feasibility study, although that is not required by this legislation.

Mr. ASPINALL. Will the gentleman yield further?

Mr. SAYLOR. I yield to the gentleman.

Mr. ASPINALL. This is correct. This is a procedural matter. There has never

been a feasibility survey made that I know of in reclamation projects since I have been in Congress which did not come first to the Congress of the United States.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am glad to yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. Mr. Chairman, if we can refer to section 401, title IV, as I read that language, on page 72, it will really—

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(Mr. SAYLOR (at the request of Mrs. GREEN of Oregon) was allowed to proceed for 5 additional minutes.)

Mrs. GREEN of Oregon. As I read this section, I am concerned because it seems to me what we are doing is to have a blank check on the U.S. Treasury for other projects that may cost billions of dollars. I would like to have the gentleman's view on this, and then I would like also to say that it seems very strange to me that this Congress at this time expresses deep concern about the national economy and about the national budget and that many in this House are insisting that we cut \$6 billion out of the appropriations. I talked to the people in the education field, and a \$6 billion cut in appropriations this year actually means a 30- or 33-percent cut on such things as Federal impact on elementary and secondary education and higher education. I cannot for the life of me understand why today we would take action that would in effect give this blank check to the U.S. Treasury for projects that will run into billions of dollars if we mean what we say that we are for economy and we intend to cut the budget. But I would like to have the gentleman's view on this. This is in section 401 of title IV. It seems it is in essence a blank check.

Mr. SAYLOR. I will say to my distinguished colleague, the gentlewoman from Oregon [Mrs. GREEN], that this is not a blank check. I have a tremendous respect for the gentlewoman's ability, but the procedure which we have established in title IV is to establish a lower basin fund, the same as we have established a fund for the upper basin of the Colorado River and specify where the money should come to go into that fund.

Now, this is the same provision as Congress after Congress has used in establishing water basin acts.

Mrs. GREEN of Oregon. Mr. Chairman, if the gentleman will yield further for one clarifying question—

Mr. SAYLOR. Yes, I yield further to the gentlewoman.

Mrs. GREEN of Oregon. The language which appears on page 72 of section 401 as it is now written, if the gentleman's amendment is not adopted and if this language stays the same as it is now written, is it not conceivable that we really will authorize projects that are going up onto billions of dollars? I happen to support the amendment which has been offered by the gentleman from Pennsylvania, but if it is not adopted, it seems to me that this is language which would allow this to happen.

Mr. SAYLOR. The reason this is being done is because the Congress authorized the upper basin projects in the Colorado River with a similar provision and we specified the projects that had to be built. This provided that the people of the upper basin would have to come before the Congress under certain circumstances to seek the deletion of some projects and ask for authorization for certain other projects. The same situation will exist in the lower basin.

Mr. ASPINALL. Is it not the same identical procedure which we used with reference to the Columbia River Basin?

Mr. SAYLOR. It is the identical procedure.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, I just want to underline the fact that this bill only authorizes certain projects and if there were augmentation that the gentlewoman from Oregon seems to be worried about it certainly requires before any study could come out of this project for this work some subsequent Congress would have to authorize it. It is fully protected and there is no back door approach about which I am sure the distinguished gentlewoman from Oregon [Mrs. GREEN] refers and about which she is worried.

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Washington.

Mr. MEEDS. Would the gentleman explain to the members of the committee what the effect of this amendment will be on section 401, if any?

Mr. SAYLOR. The effect on section 401? It will have no effect on section 401.

Mr. MEEDS. Mr. Chairman, if the gentleman will yield further, if you cannot proceed under section 402 with reference to the feasibility report, then that portion dealing with nonreimbursables will not come up?

Mr. SAYLOR. Will not come into existence; yes.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield further?

Mr. SAYLOR. I yield further to the distinguished chairman of the committee.

Mr. ASPINALL. It will not come into existence until authorized by the Congress. If the amendment which has been offered is accepted, the provisions of section 401 referred to will not become effective until the feasibility report has been prepared and Congress takes a look at it and has the opportunity to approve or disapprove it.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I commend the gentleman for offering his amendment and say to the gentleman that it should be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

(Mrs. HANSEN of Washington asked

and was given permission to extend her remarks at this point in the RECORD.)

Mrs. HANSEN of Washington. Mr. Chairman, today, as we continue the discussion of H.R. 3300, I want to associate my remarks with the gentleman from Oregon, Congressman ULLMAN, and the distinguished gentlemen of my own State of Washington [Mr. MEEDS and Mr. FOLEY], who are members of the Committee on Interior and serve under the very distinguished chairman, the gentleman from Colorado [Mr. ASPINALL].

My discussion today is particularly to take this time to talk about the problems of water.

Since I have the privilege of serving as the Subcommittee Chairman of Interior Appropriations where a great amount of water research is underway, and where even more should be underway, if it were not for the problem of guns or butter, but guns and water, more would be undertaken. I can understand and do understand the needs of Arizona and the needs of California. I appreciate their desires to settle this problem and I support the major portions of this bill but like the gentlemen from Oregon and Washington, I would like to see portions of the bill deleted or changed. However, I have no illusions. The bill will undoubtedly pass this morning since the Northwest is that portion of the Nation which has clear cold water and everyone in the Nation is looking at it with desire.

But it is because of this very fact that I am taking this time to develop legislative history and to point out that every river basin in the entire United States is confronted by serious problems. I was in Philadelphia 3 years ago when the Delaware was short; I have been in other parts of the United States when their rivers were almost dry; 3 weeks ago, I flew the length of the Columbia River where our river was at such a low ebb that one look was sufficient to show what diversion might mean which brings me to the focal point of my remarks.

Diversion of a river is the easy way out. It is the Bureau of Reclamation's traditional way out. They have never hunted for other solutions and never will if they are given the money for diversion. But what does water diversion from one river basin to another area mean at this particular moment in our history.

It means that before we have made any national survey of the total water needs or total water problems and have met these problems with answering programs diversion could well be considered; 1973 is only 5 years away. From the testimony I have heard in my committee and with the present status of funding and expenditures limitations, the water problem is not going to be solved in 5 years or either the Columbia River Basin or any other river basin.

What are the long-term problems of river basins? Not only are they those of having adequate water now or in 5 years but what will the total needs of those basins be in 5 years? The Columbia River uses its water for power, irrigation, domestic consumption, indus-

trial supply, and navigation. It is a combination of all these factors that must be considered and measured against the population not only 5 years from now but 20 and 50 years from now. What profit is there to divert water to an area and dry up another area? It is very true, as the distinguished gentleman from California [Mr. HOLIFIELD] noted. Washington wants markets but I am sure that not even California wants Washington without water. Last Monday morning as I boarded a plane in Portland, Oreg., I noted the headlines of the Oregonian "Oregon Faces Worst Drouth in Years." Drouth is not a new subject in the Northwest. The last three summers have been dry and the past is full of them. I want to bring to your attention some of the figures when the supplemental appropriations bill is before you. Items in this bill resulting from fire damage were caused by lack of rain in the Northwest.

Now what are the answers?

May I say, diversion of any river at this time is not an answer. There is no way of predicting weather, total population, total commerce, and total growth, the total accuracy that is needed. The people in the Interior Department are aware of this—all except the Bureau of Reclamation. They are aware that we need to do several things:

First. Continue at an accelerated pace the saline water development program and I would call to the attention of the House and the gentlemen from California that Interior is working with areas of southern California on a saline experimental project. I would remind this House that there is a sizable sum of money in this year's budget for saline water development. It must be continued. The price is coming down, and there have been some exciting breakthroughs, and there have been some exciting agricultural byproducts.

Second. We must continue to work to find new sources of underground water. The Geological Survey is continuing in this field as are the research people. May I say, that these are all in the exploratory state today. Again, however, there have been some exciting results.

Third. We need to develop a program of weather modification for water sources. Again, this is in the field of research and discussion.

Fourth. We should be able to know more about the recoupment of water.

Fifth. We should know more about the waste of water.

Sixth. Care, development, and protection of our watersheds.

All the areas of the United States are going to share this vast treasure house of water development knowledge, and it is mandatory that this be completed before diversion becomes the order of the Bureau of Reclamation.

I want to call the attention of the Committee also to one further thing about Columbia River. Unlike many river basins and unlike many rivers, one of its major uses is navigation and after viewing the river scale models year after year relative to small changes with resulting sandbars and other impediments to navigation on the river and noting changes in currents and the resulting

problems this is a subject of deep concern. Commerce is the lifeblood of a district such as mine, and export into the markets of the world, if you please, the products that are grown and raised there. Therefore, I mention this one further problem that is inherent in navigable rivers. One scale model on the upper part of the river has taken over a year to come up with a solution that is not yet satisfactory. Five years is a very short time to develop the total results of all segments of the Columbia River involved in diversion.

So, ladies and gentlemen of this House, to make legislative history that diversion is the easy way out and it is not, I am sure, the cheapest way or best way out as a permanent water solution.

I do trust that great thought and judgment will be given here today not against areas that need water but to develop the resource programs that the whole Nation needs and which will be of far more total assistance to the Southwest than the diversion of any single river at the expense of another segment of the country.

AMENDMENT OFFERED BY MR. HARRISON

Mr. HARRISON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRISON: On page 52, lines 14 and 15, strike out "below Lee Ferry by two and one-half million acre-feet annually." and insert in lieu thereof the following: "initially by not less than two and one-half million acre-feet annually, increasing thereafter to not less than four million acre-feet annually by January 1, 1990. Whenever the water supply available in the Colorado River is augmented by four million acre-feet or more, such water supply shall be allocated so that the States of the Upper division receive seven and one-half million acre-feet and the States of the Lower Division receive seven and one-half million acre-feet and Mexico receives one and one-half million acre-feet, with any additional water above this allocation divided equally between the States of the Upper and Lower Divisions."

On page 52, line 16, strike out "may" and insert in lieu thereof "shall".

Mr. HARRISON. Mr. Chairman, at this time I offer an amendment to H.R. 3300. It is an amendment which I sincerely hope my Arizona colleagues—motivated as they are by the good faith desire to benefit their region without causing hardship to Wyoming or other States—will gladly accept.

My amendment to title II is a logical extension of the sentiments of that title with respect to the availability of sufficient water in the Colorado River system to meet future needs.

My amendment would add new language to section 201(c) to provide that by a specific date, January 1, 1990, and in a specific amount, 4 million acre-feet, water will be supplied to augment the dwindling supply of the Colorado River system.

I consider this amendment both fair to Wyoming and all other States of the Colorado, and consistent with the temper of the bill we are debating today. It is consonant with the basic law of the Colorado River: The compact of 1922, the upper basin compact of 1948, and the water treaty of 1944 with Mexico.

The figure of 4 million acre-feet is not

an arbitrary one. It would satisfy the Mexican treaty obligation with imported water, which was stipulated in the 1922 compact, and it would as nearly as can be determined, meet the needs of upper and lower basin States by the early part of the 10th decade of our century.

H.R. 3300 as now written, provides for studies to investigate means of supplying water to meet the current and anticipated water requirements of the Colorado River Basin, and reconnaissance reports are to be submitted no later than June 30, 1973.

The bill is silent on the future of these studies, other than to assert that no recommendation for importing water into the Colorado River Basin from other river basins shall be made without the approval of States affected by such importation.

Seldom has legislation risen to the surface atop such voluminous records and history. I will not burden this presentation with more of that history than is absolutely necessary in presenting my amendment. My arguments and premises draw their sustenance from the position of my State on this legislation and I support that position fully. I will ask that at the conclusion of my remarks a speech by Mr. Thomas E. Cahill, assistant to Wyoming State engineer, Floyd Bishop, be printed to establish for the record what has long been the posture of Wyoming regarding central Arizona legislation.

The history and the record leave no doubt that the Colorado River will be short of water to a disastrous extent by the latter half of the 1980's or early 1990's.

At that time, some action will have to be taken to make the divisible supply of water adequate to the per capita demand.

At some point in the near future augmentation of Colorado River water will be an absolute requirement. What better forum is there than for spelling out the clear intent to provide that water, than the legislation which will create the most expansive and expensive reclamation project in history, with Colorado River water which is rightly the property of other States.

It has been the position of Wyoming throughout the proceedings associated with this and similar bills, that a minimal precondition to acceptance of CAP would be the concurrent authorization of water importation. This position has been eloquently set forth by State engineer Floyd Bishop in these words:

The proposed authorization of the central Arizona project poses an undeniable threat to Wyoming, our concern is not so much over the legal right to the use of the water granted to us by the compacts as it is over the practical problems which Wyoming will face in the future.

There is little argument concerning the legality of the compacts, and without some unforeseeable upheaval, it would appear that these documents will continue to be the "law of the river". From political viewpoint, however, Wyoming could in the future, find it impossible to utilize this water which everyone agrees is legally ours. It is an accepted fact that the central Arizona project will be depending on the use of water which is legally upper basin water but is surplus to present day needs in the upper basin.

Concurrently with authorization of the central Arizona project, there should be an authorization of a project to import water into the Colorado River system.

This history of this legislation over three stormy decades and my own statements in public and to the distinguished chairman of the Interior Committee make clear that Wyoming does not oppose the central Arizona project for the sake of opposition. We have no desire to contribute to the shortage of the most precious of all liquids in the great State of Arizona.

I offer my amendment to extend the study and feasibility report provisions of H.R. 3300 as an effort to put teeth into the proposition that sufficient water will flow into the Colorado River to insure that all user States will have their rightful entitlements, and that water will be available to fulfill the national obligation of the Mexican Water Treaty without jeopardizing the allotments of any State.

I ask each member now to search his knowledge of this legislation and to search as well, his own good conscience and brush the clouds from this bill so the States of the Colorado River will know that water definitely will be provided from some outside source when the need exists.

This bill needs clear language setting forth the date for delivery of water into the Colorado, and it needs language specifying a minimum amount of water. This must not be left to some future interpretation of ambiguity in laws or the munificence of some future Congress unattuned to the realities of the Colorado River and its history.

The crucial questions of how much water and when, must not be left in doubt, perhaps someday to be decided by courts of law which listen to the pleadings of parched upper basin States and wonder why H.R. 3300 was so strangely silent on so vital a matter.

The speech referred to follows:

INTERDEPARTMENTAL WATER CONFERENCE

(Address by Thomas E. Cahill, Special Assistant Attorney General, September 16, 1966)

Wyoming, under present compacts, is entitled to the beneficial consumptive use of approximately 800,000 acre-feet of water from the Green River. This is some 500,000 acre-feet more than is presently being used. This surplus is presently flowing from the State into the Colorado. The Central Arizona Project, which is part of House Bill 4671 in the present Congress, needs that water, and more, to be a feasible project. Wyoming does not wish to impede the development of Central Arizona but it would not be wise for Wyoming to acquiesce to the construction of a billion dollar project in Arizona which is dependent upon Wyoming water.

If it were practical for Wyoming to finance projects on the Green River with other than federal money, a legal right to the use of the water would be sufficient to safeguard Wyoming's future. However, the projects necessary for the full utilization of Wyoming's potential are so expensive and complex that the most probable method of development is through the construction of federal projects.

Wyoming is concerned that when the time comes to get such federal projects authorized, she will be effectively opposed in the Congress by representatives of those down-

stream states who have their projects constructed and operating on Wyoming water. Practical politics show that Wyoming's two Senators and single Representative will not be able to successfully overcome predictable opposition to such projects from California, Arizona and Colorado. To assist in a better understanding of Wyoming's Colorado River problems, the following background is offered.

THE RIVER

High in the Wind River mountains of Wyoming, about 900 air miles from the Gulf of California, the Green River, which later joins the Colorado River, begins. From here, the Colorado and its tributaries meander through the seven western states of Wyoming, Colorado, Utah, Arizona, Nevada, New Mexico and California on a 1,600 land mile journey to the sea.

The mainstream of the Colorado and its largest branch, the Gunnison, flow westward from the Continental Divide in Colorado and join the Green River in southwestern Utah. Farther south the San Juan River comes in from the mountains of southern Colorado and northern New Mexico. For hundreds of miles through Arizona and Nevada, the Colorado River is deeply entrenched between high plateaus and forms the Grand Canyon. It then flows through a wide desert valley, forming the boundary between Arizona and California. Almost at the Mexican border, the Gila River, which begins in southwest New Mexico and flows through southern Arizona, joins the Colorado. A short distance below the Mexican border the Colorado flows through its Delta and into the Pacific Ocean.

The Colorado River System drains an area of 242,000 square miles, 1/6th of the contiguous continental United States. In half of this area the average rainfall is less than ten inches annually; in another third, it averages from ten to fifteen inches.

THE 1922 COMPACT

The struggle over the use of water in the Colorado River drainage has been long and turbulent. In the early 1920's, rapidly growing populations and water uses in the Coastal areas, and the desire of Lower Basin interests to construct a major reservoir which would regulate the river brought the first notable crisis. California wanted to enlist the Congressional support of the Upper Basin states for a bill authorizing mainstream developments which included a major reservoir. The Upper Basin states, fearful that the construction of such a reservoir would establish priorities which would preclude the later use of water in the Upper Basin, desired a guaranteed right to future use of water. It became obvious that some form of agreement between the states was necessary before further development of the Colorado River could proceed. This precipitated negotiations which, in 1922, culminated in the Colorado River Compact.

Originally, the negotiators attempted to apportion specific quantities of water to each of the seven states. When this failed, Herbert Hoover, who represented the federal government, urged that the approach be changed, and consequently an apportionment of water was made between two divisions. All of the drainage area above Lee's Ferry in southern Utah was called the Upper Division and all that below Lee's Ferry was included in the Lower Division. This put Wyoming, Colorado, Utah and New Mexico in the Upper Division and Arizona, California and Nevada in the Lower Division.

When the 1922 Compact was formulated, it was estimated that the average annual flow of the Colorado River was about 20,000,000 acre-feet. This estimate was based on stream flow records covering the period immediately prior to 1922 which was a period of excessively high stream flows. Hoping for some leeway for error, the negotiators of the 1922 Compact allocated only 16,000,000 acre-feet, leaving, they thought, an additional

4,000,000 acre-feet to be apportioned at a later date (unfortunately, the long-term average annual flow has only been 13,951,000 acre-feet).

Immediately after the ratification of the Colorado River Compact, the Boulder Canyon Project Act was introduced in Congress. Finally, after introduction in four successive sessions, the act was passed. The project included Hoover Dam, the All-American Canal, and the Parker-Gila Valley reclamation project. Subsequently, Parker Dam (diversion point for municipal and industrial water for Los Angeles and San Diego) and the Coachella Canal (which supplies irrigation water to part of the Sallan Basin) were built by the United States.

Besides authorizing projects, the Boulder Canyon Project Act divided the waters of the mainstream of the Colorado River. It gave California the use of 4,400,000 acre-feet, Arizona the use of 2,800,000 acre-feet and Nevada the use of 300,000 acre-feet. The Act, however, did not mention the tributaries in the Lower Basin which have an annual flow of approximately 1.75 MAF annually, which includes 1 MAF from the Gila, all of which is almost totally consumed in Arizona.

UPPER BASIN COMPACT

Soon after World War II was over, the Upper Basin states renewed their efforts to gain congressional support for the construction of Upper Basin projects. To establish stable water supplies for reclamation projects and to prevent future lawsuits concerning the equitable apportionment of the Upper Basin share of the Colorado River, the Upper Basin states intensified negotiations to divide the water. These negotiations resulted in the Upper Colorado River Compact of 1948, which was ratified by the legislatures of the four states, and by the Congress of the United States in 1949. This Compact apportioned to the states the annual beneficial, consumptive use of the following quantities of water:

Arizona: 50,000 acre-feet.

Colorado: 51.75 per cent of the Upper Basin entitlement.

New Mexico: 11.25 per cent.

Utah: 23.00 per cent.

Wyoming: 14.00 per cent.

Ratification of the Upper Colorado River Compact cleared the way for development of projects within the Upper Basin, and after a hard fight, the Colorado River Storage Project Act was passed in 1956. This legislation authorized the construction of Glen Canyon, Navajo, Curecanti and Flaming Gorge dams and designated certain projects which could benefit from the power revenues of these major regulating reservoirs. Wyoming projects which were included were Seedskaadee, Lyman, LaBarge, Sublette and Savery-Pothook.

WYOMING DEVELOPMENT

In the Green River Basin of Wyoming approximately 225,000 acres, less than 4 per cent of the total land area, is now under irrigation. This land lies mostly along the Green River and its tributaries near the base of the mountains. Most of the irrigation development has been by individuals and organized local groups. There are also four federal reclamation projects which are in various stages of development in the Green River Basin.

The Eden project, which includes the 39,700 acre-foot-capacity Big Sandy Reservoir on Big Sandy Creek and some distribution facilities, was largely completed in 1960. It was initially intended to serve 20,200 acres in the vicinity of Farson, including 9,540 acres that had been previously irrigated and 10,660 acres of new land. Because of water shortages and because anticipated efficiencies in water use have not been attained, land development has been limited to a smaller acreage. A program of modification of the distribution system is now underway.

The Seedskadee project was authorized in 1956. It includes the Fonteneille Dam and Reservoir on the Green River, which has been constructed. The project is planned to ultimately irrigate 58,775 acres of presently undeveloped land, and to provide 60,000 acre-feet of stored water for the potential Seedskadee National Wildlife Refuge. Construction of the irrigation canals and laterals has been deferred pending the results of an experimental development farm on project lands. The discovery of trona deposits under 15,500 acres of potential project land on the west side of the Green River has prompted the deferral of agricultural development on that land until possible surface subsidence is further investigated.

The Lyman project, also authorized in 1956, will include the Meeks, Cabin and China Meadows Reservoirs on Black's Fork and the East Fork of Smith Fork, respectively. The water will be distributed through existing works and used as a supplemental irrigation supply on 26,000 acres in the vicinity of Lyman. Bids for construction of Meeks Cabin Reservoir were received in 1965 but were rejected as being too high. New bids were called for and let in the spring of 1966.

The Savery-Pothook project, authorized September 2, 1964, will irrigate lands in both Wyoming and Colorado. It will develop unused flows of the Little Snake River and its tributaries, Savery Creek in Wyoming and Slater Creek in Colorado, for the irrigation of 35,265 acres, including 21,920 acres of new land. The Wyoming portion consists of 16,155 acres, including 6,180 acres of new lands and 9,975 acres of supplemental service land. Storage will be provided by the 18,600 acre-foot Savery Reservoir on Savery Creek and the 65,000 acre-foot Pothook Reservoir on Slater Creek. The water will be conveyed to the land by both existing facilities and new project canals and laterals. Funds have not yet been appropriated for the start of construction.

COMPACT AMBIGUITIES

The 1922 Compact is a brief, but sometimes ambiguous, document. These ambiguities have been the basis for a forty year fight between California and Arizona, and are at the heart of the negotiations between the two basins that have been going on for over a year.

Most of these ambiguities stem from article III which divides the water.

III (a) gives the beneficial consumptive use of 7,500,000 acre-feet to the Upper and Lower Basins, respectively.

III (b) gives the Lower Basin the right to increase its beneficial consumptive use by an additional million acre-feet annually, but does not specify the source of the water. (Some claim that this refers to the Gila and Salt Rivers.)

III (c) recognizes the possibility of a future treaty with Mexico and states that any guaranteed deliveries to Mexico should come from unappropriated waters. If there is no surplus, both basins are to share equally in any shortage. In 1944 a treaty was negotiated between Mexico and the United States which guaranteed annual delivery of 1,500,000 acre-feet of water to Mexico via the Colorado River. Under normal river operations to date, more than this amount of water has automatically reached Mexico through return flows, uncontrolled releases and precipitation in the area adjacent to the border. However, as water becomes more valuable, and since the expected flow has been 14 million acre-feet rather than 20 million acre-feet, it is obvious that the Mexican Treaty burden will at some time in the future become more important.

Arizona is now using at least a million acre-feet annually from the tributaries, and claims this should not be included in the 7,500,000 acre-feet given the Lower Basin by III (a). This interpretation is based on the holding in *Arizona v. California*, discussed

later. Accountability of the tributaries is important in determining any Mexican Treaty burden. If we assume that required deliveries of water from the Upper Basin to the Lower Basin at Lee's Ferry are limited to 75,000,000 acre-feet in a ten year period, as specified in III (d), then the consumptive beneficial use of water from the main stem in the Lower Basin will be limited to something less than 7,500,000 acre-feet per year, due mainly to the channel losses and reservoir evaporation, and the Upper Basin will be required to furnish part of any shortage to Mexico. However, if Arizona's tributary uses are also included in the Lower Basin's 7,500,000 acre-feet annual consumptive use, then the total beneficial consumptive use in the Lower Basin would surpass the 7,500,000 acre-feet per year and the burden of the Upper Basin to deliver water to Mexico would be reduced accordingly.

III(d) placed a delivery requirement upon the Upper Basin of 75,000,000 acre-feet in any ten year period, or an average of 7,500,000 acre-feet annually. This provision put a burden on the Upper Basin states to make a minimum delivery of water to the Lower Basin, and any shortage of water is automatically deducted from the Upper Basin apportionment, rather than from the Lower Basin.

III(e) provided that the Upper Basin states could not withhold water that could be reasonably applied to domestic and agricultural uses in the Lower Basin. It also provided that the Lower Basin could not call for water to be delivered unless it could be applied to those same uses. This provision raises the question of whether the Upper Basin can store water in its reservoirs for the purpose of long-term carryover to even out fluctuations in flow from year to year, when users in the Lower Basin are in need of more water which could be directly used for "domestic and agricultural purposes."

ARIZONA VERSUS CALIFORNIA

In the early 1950's Central Arizona was consumptively using 4,500,000 acre-feet of water annually. Of this, 1,000,000 acre-feet was from surface runoff of the Salt and Gila Rivers. The other 3,500,000 was being mined from a water table that had a recharge rate of 1,000,000 acre-feet annually. Consequently, the underground aquifers were losing approximately 2,500,000 acre-feet annually.

The Central Arizona Project was designed to supply Colorado River water to Central Arizona to supplement the existing supplies and protect a dropping water table. Arizona contended that the Boulder Canyon Project granted Arizona the use of 2,800,000 acre-feet annually from the mainstream of the Colorado River, and that since they were then using only 1,200,000 acre-feet annually, they were entitled to an additional 1,600,000 acre-feet, which could be utilized by the Central Arizona Project.

However, California contended that the Salt and Gila Rivers should be included in determining Arizona's 2,800,000 acre-feet. If this were true, Arizona's share of Colorado River water would have been exceeded, and there would be none available for a Central Arizona Project.

Arizona's congressional delegation introduced legislation authorizing the Central Arizona Project three times. Each time, it passed the Senate, but was blocked by California's strength in the House of Representatives. Finally on the fourth try, the House Committee on Insular Affairs stated that before the bill would be considered again by that committee, the Arizona rights to the use of Colorado River water would have to be determined.

This resolution instigated a law suit between Arizona and California which lasted from the early 1950's until 1963. In 1963, the United States Supreme Court held that the Boulder Canyon Project Act gave Arizona the use, when available, of 2,800,000 acre-feet

from the mainstream of the Colorado River (which automatically excluded accounting for the Gila and Salt Rivers). Almost immediately, the Arizona congressional delegation introduced a revised version of the Central Arizona Project Bill. The bill was again rejected by Congress.

CALIFORNIA-ARIZONA COMPROMISE

Arizona, realizing that the 38 California members of the House of Representatives could probably effectively block any legislation which would authorize a Central Arizona Project, decided that they must negotiate with the State of California.

As a result of these negotiations, on February 8, 1965, Congressmen and Senators from Arizona and California introduced identical bills in the House of Representatives and the Senate which would authorize the Central Arizona Project. As was then suspected, and later confirmed in hearings before the Subcommittee on Irrigation and Reclamation of the House of Representatives, for this project to be feasible it had to use Colorado River water apportioned to, but not presently used by, the Upper Basin states by the two Colorado River Compacts.

In order to gain the California support, Arizona had agreed that whenever there was insufficient water to supply 7,500,000 acre-feet for consumptive use in the Lower Basin, the following priorities would apply:

1. Present perfected rights in Arizona and California;
2. 4,400,000 acre-feet to California;
3. Remainder to Arizona for the Central Arizona Project. These priorities would cease upon the importation of 2,500,000 acre-feet into the Colorado River System below Lee's Ferry.

In an attempt to gain Upper Basin support, the Secretary of Interior was directed to study the water needs in the Upper and Lower Basins and to establish whether or not the present sources in these basins could supply sufficient water for their own needs. Then, with the help of the Bureau of Reclamation, the Secretary was to project these estimates of water need up to at least 2030. Concurrently, a study was to be made of water supplies and water needs (also projected far into the future) in the Columbia River Basin. At the same time, a study of the feasibility of transporting water from the Columbia River to the Colorado was to be made.

In an attempt to placate Idaho, Montana, Oregon and Washington, these Northwest states were designated as "areas of origin" and were given the future right to "call back" any water then being transported to the Colorado River states if a need for it developed in the Northwest. The Secretary of Interior was to submit a feasibility report of a project which would facilitate the importation of 2½ million acre-feet into the Colorado River System within three years of enactment of the Bill.

A Lower Basin Fund was established which would receive congressional appropriations for construction of Lower Basin projects. The Fund would also receive: (1) Revenues from the Central Arizona Project (which would include sale of power from Bridge and Marble Canyon Dams); (2) Revenues from Hoover and Parker-Davis Dams after their projected pay-out in 1987; and (3) Payments made from users on other Lower Basin projects. After paying the overhead, maintenance, capitol costs and interests, expense of the operating units of the Central Arizona Project, any surplus in the Fund was to be applied to the unit allocation to irrigation, commercial power and municipal and industrial water, for a period of fifty years. Bureau of Reclamation studies showed that with both Bridge and Marble Canyon Dams, by 2024, there would be a billion dollar surplus which would be available to subsidize the importation of water to be used in the Lower Basin.

The present compacts on the river were to remain sacred, and jurisdiction was given to the states to bring suit against the Secretary of Interior in the Supreme Court of the United States in the event that these are violated.

UPPER BASIN RESOLUTIONS

In an attempt to formulate a common position, the Upper Colorado River Commission retained the Denver engineering firm of Tipton & Kalmbach to study the water supply of the Colorado River. Using the period of 1921 through 1964, the Tipton Report showed an average runoff of 13,951,000 acre-feet and assessed Lower Basin requirements as follows:

	Acre-feet
1. Beneficial consumptive use (as provided by III(a))-----	7,500,000
2. Mexican Treaty deliveries-----	1,500,000
3. Reservoir evaporation-----	730,000
4. Losses below Hoover Dam-----	810,000
Total requirements-----	10,540,000

Assuming that Upper Basin would be required to deliver 8,250,000 acre-feet annually (which is the III(d) requirement, plus one half of any Mexican Treaty burden), the Tipton Report showed the supply to be:

	Acre-feet
1. Delivery at Lee's Ferry-----	8,250,000
2. Net Inflow Lee's Ferry to Lake Mead-----	675,000
3. Net Inflow from Bill Willam River-----	55,000
4. Release from Lake Mead (draw-down to rated power head)---	365,000
Total available-----	9,345,000

Thus, if the Lower Basin was to be allowed to consumptively use 7,500,000 acre-feet annually, as provided by III(a), without accounting for tributary uses, and an annual delivery of 1,500,000 acre-feet to Mexico was to be made, the Upper Basin would have to deliver an average of 9,445,000 acre-feet annually.

The obvious conclusion was that a firm water supply was not available in the Colorado River to satisfy a basic beneficial consumptive-use requirement of 7,500,000 acre-feet from the mainstream by the Lower Basin, plus delivery of 1,500,000 acre-feet to Mexico.

The states of the Upper Basin estimated their present uses and future needs to be:

	Present	1975	1985	2000	2030
Colorado-----	1,782	2,468	3,098	3,714	3,746
New Mexico-----	140	514	749	764	764
Utah-----	579	936	1,171	1,630	2,138
Wyoming-----	265	545	769	1,193	1,193
Total-----	2,766	4,463	5,787	7,301	7,841

Thus, even though the study showed that there was a present surplus available for the Central Arizona Project, future development projections clearly showed that if Upper Basin development was to continue, projects which would import major amounts of water into the Colorado River System would have to be authorized and constructed.

Using these figures as guidelines, and realizing that future Upper Basin development would be contingent upon the authorization of future projects by Congress, the Upper Basin, acting through the Upper Colorado River Commission, proposed amendments to H.R. 4671 which they felt would protect future development in the Upper Basin. On August 16, 1965, the Upper Basin states of Colorado, New Mexico, Utah and Wyoming, agreed that before they could support the Central Arizona Project, the following principles would have to be included:

1. That all federal projects within the Lower Colorado River Basin be limited so as

not to prejudice, impair, or preclude the future federal authorization of projects which will be required for the annual consumptive use by Upper Basin states of water that may be physically available after delivery of 75 million acre-feet at Lee's Ferry in any period of ten consecutive years;

2. That concurrently with any congressional authorization of the Lower Colorado River Basin project there also be authorized a project to import water into the Colorado River System in such quantities as will (a) relieve the states of the Colorado River Basin from any obligation to deliver water to the Republic of Mexico pursuant to the terms of the Mexican Water Treaty of 1944. (b) Supply the Lower Basin states with enough water to allow for the consumptive use of 7.5 million acre-feet per year, and (c) supply the Upper Basin states with enough water to allow an annual consumptive use of 7.5 million acre-feet.

3. That Glen Canyon Dam shall be operated so that it will not be drawn below its rated power head, except as may be necessary to comply with article III (d) of the Colorado River Compact, and except as may be authorized otherwise by the Upper Colorado River Commission.

4. That the diversion of funds from the Upper Colorado River Basin funds to the Colorado River Dam fund as payment for the so-called Hoover Dam deficiencies, pursuant to the Glen Canyon filling criteria, be terminated immediately.

5. That all expenditures made from the Upper Colorado River Basin Fund to meet deficiencies in generation at Hoover Dam, pursuant to the Glen Canyon filling criteria be reimbursed to the Upper Colorado River Basin Fund in full.

These principles were included in a draft dated August 16, 1965, which was presented to Congress in hearings held before the Irrigation and Reclamation Subcommittee of the House Insular and Interior Affairs Committee from August 23 through September 1, 1965.

SUBCOMMITTEE HEARINGS

Just prior to these hearings, the seven Colorado River states met and agreed upon the following principles:

1. The Upper Basin's right to the use of water of the Colorado River, pursuant to the Colorado River Compact, shall not be jeopardized by the temporary use of unused Upper Basin water by any Lower Basin projects.

2. The pending legislation should authorize the Secretary of Interior to construct importation works which will deliver not less than 2,500,000 acre-feet annually, upon the President's approval of the Secretary's finding of feasibility.

3. Such importation works should be planned and built so as to make the imported water available, if possible, not later than 1980.

4. Satisfaction of the Mexican Treaty burden should be the first priority to be served by the imported water. The costs of importation allocable to the satisfaction of the burden, which is a natural obligation, should be nonreimbursable.

At the August Subcommittee hearings, several other areas of opposition to the bill emerged. The conservation interests were determined to delete both Marble and Bridge Canyon Dams from the bill, and the Pacific Northwest was determined that the Bureau of Reclamation should not make a feasibility study of importation.

SEPTEMBER 20 DRAFT

The states were not able to agree on specific language of the bill, and in September, representatives of the governors of the seven Colorado River states met to attempt to draft language that all seven states could agree upon. They could not reach agreement but agreed that Felix Sparks of Colorado and Northcutt Ely of California should try to draft a bill acceptable to all seven states. The

result of their work has been called the September 20 draft.

(1) It authorized the Secretary of Interior to make a feasibility study of a staged importation plan. The first stage would include at least 2,500,000 acre-feet to satisfy the Mexican Treaty burden and could also include 2,000,000 acre-feet for Lower Basin use, 2,000,000 acre-feet for Upper Basin use, and 2,000,000 acre-feet for use along the route of the importation system. The importation plan was to be completed by December 31, 1970, and a report was to be made to the President sometime after December 31, 1970.

(2) Areas of origin were to be protected and a perpetual prior right to water was to be given to any state which contributed to the Columbia River System. This priority would be senior to any rights to imported water by Colorado River System users.

(3) Upper Basin rights were protected, but no implementation was given for this protection.

(4) The Secretary of Interior was to promulgate equitable criteria for the reservoir operations on the Colorado River after consultation with the seven Colorado River Basin states.

(5) The Mexican Treaty burden was to be a national obligation, and the Colorado River states were to be relieved of it upon importation of at least 2,500,000 acre-feet into the Colorado River System.

(6) The Central Arizona Project was to be limited to carry an average of 1,200,000 acre-feet from the mainstream, none of which was to be available for use on new lands.

(7) The Dixie and Southern Nevada projects were integrated into the Lower Basin Fund, and the recreation and fish and wildlife uses on the Dixie project were made nonreimbursable.

(8) The Upper Basin Fund would be reimbursed for expenditures made from it to purchase power for the Lower Basin during the filling of the Upper Basin reservoirs.

(9) It authorized the Dolores and Dallas Creek projects in Colorado and the Animas-La Plata project in Colorado and New Mexico, and reauthorized study of other Upper Basin projects, including the Sublette project in Wyoming.

This draft was unacceptable to Wyoming and Utah, but became the basis of negotiation for future drafts of H.R. 4671.

POWER REVENUES

As was previously mentioned, the Upper Colorado River Commission, on August 16, 1965, withheld support of H.R. 4671 pending inclusion of five principles. These principles have served as a basis for negotiations over the past year and the Committee Draft at least pays lip service to the problem areas. Two of these conditions concerned power and power revenues and the language in the Committee Draft is relatively acceptable.

The problem arose during the filling of Lake Powell and Flaming Gorge. By storing water in these reservoirs, there was less water available at Hoover Dam to supply firm power to power contractors. To make up the difference, the Secretary of Interior purchased power from private power companies, and charged the cost to the Upper Basin Fund. As of September 30, 1965, the Secretary of Interior had charged the Upper Basin Fund \$7,299,350.04 for the purchase of deficiency energy, generation impairment and capacity deficiency. In addition, 688,734,112 KWH of power had been delivered from Upper Basin dams to Lower Basin power contractors. Assuming a worth of 3 mills, \$2,066,202.34 worth of power produced by the Upper Basin generators was furnished to Lower Basin contractors. The Upper Basin Fund received no credit for these deliveries.

The September 20 Draft provided that \$7,299,350.04 would be returned to the Upper Basin Fund at the rate of \$500,000 annually. No provision was made for payment of interest, which by June 30, 1966, will amount

to \$13,722,576.38, nor was provision made for payment of Upper Basin power furnished to Lower Basin power contractors. Both basins have generally accepted this compromise.

According to the Upper Colorado River Commission, approximately 10% of the power now generated by Upper Basin dams is being delivered to the Lower Basin, sold, with credit going to the Lower Basin. The Upper Basin Fund is receiving no credit for these deliveries.

MEXICAN TREATY BURDEN

The Commission resolution of August 16, 1965, directed that the Upper Basin should only be required to deliver 75,000,000 acre-feet in any ten year period, and that the Lower Basin tributary uses be included in computing the Lower Basin entitlement to the consumptive use of 7,500,000 acre-feet annually. This would lessen the burden of the Mexican Treaty on the Upper Basin.

The Lower Basin has steadfastly refused to even consider any negotiations on this point.

In the draft now in the Rules Committee, the problem is deferred until sometime in the future by Sec. 601 (b) which states:

"* * * the following listed order of priorities shall govern the storage of water in storage units of the Colorado River Storage Project and releases of water from Lake Powell:

"(1) Releases to supply one-half the deficiency described in article III (c) of the Colorado River Compact, if any such deficiency exists and is chargeable to the states of the Upper division, but in any event such releases, if any, shall terminate when the President issues the proclamation specified in Sec. 305 (b) of this Act."

FILLING CRITERIA

In *Arizona v. California*, the Supreme Court gave the Secretary of Interior the authority to apportion future water shortages on the Colorado among the Lower Basin states. It also affirmed his authority to control the filling and refilling of dams on the Colorado. Based on this authority, Secretary Udall promulgated a filling criteria which provided that during the filling period of the Upper Basin reservoirs, water would not be stored in them unless Lake Mead was at its rated power head. This criteria was to be in effect until both reservoirs reached their full capacity.

As introduced, S. 1019 and H.R. 4671 provided that:

"... the Secretary ... shall continue to develop ... a regional water plan, ... for the filling and refilling of Lake Mead and the reservoirs of the Colorado River Storage Project to optimum operating levels."

This meant that Udall's filling criteria would remain in force. The only protection that the Upper Basin had was found in Sections 502 (a) which provided that:

"Nothing in this Act shall be construed to alter, amend, repeal, construe, interpret, modify, or be in conflict with the provisions of the Colorado River Compact, (or) the Upper Colorado River Basin Compact ... and 502 (b) directed the Secretary of Interior "to comply with the applicable provision of this Act, and of the laws, treaty, compacts and decrees referred to in paragraph (a) in the storage and release of water from reservoirs in the Colorado River Basin."

The Upper Basin states were critical of the filling criteria, and the August 16 Draft had the following which would supercede it:

"In making the reports and recommendations authorized by this section, the Secretary shall make the following assumptions—

"(1) That the ultimate required delivery of water by the states of the Upper division at Lee's Ferry or by exchange delivery at alternate points will not exceed an aggregate of 75 MAF for any period of ten consecutive years reckoned in continuing progressive series."

"(2) That Lake Powell Reservoir will not be drawn below its rated head, except as may be necessary to comply with article III (d) of the Colorado River Compact, and except as may be authorized otherwise by the Upper Colorado River Commission."

This would provide the Upper Basin reservoirs with enough water to meet their Compact requirements, and protect Upper Basin existing and future uses.

In the September 20 Draft was contained the unimplemented statement that:

"Rights of the Upper Basin to the consumptive use of water of the Colorado River System pursuant to the Colorado River Compact shall not be reduced or prejudiced by any temporary use thereof in the Lower Basin."

And that:

"The Secretary shall promulgate equitable criteria for the coordinated long-range operation of the reservoirs constructed under the authority of this Act, the Colorado River Storage Project Act and the Boulder Canyon Project Act, consistent with the provisions of those statutes, the Boulder Canyon Adjustment Act, the Colorado River Compact, the Upper Colorado River Basin Compact and the Mexican Water Treaty. Such criteria shall be prepared after consultation with representatives of the seven Colorado River Basin states and parties to contracts with the United States affected by such criteria."

It further provided that:

"The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty constitutes a national obligation. Accordingly, the states of the Upper Division ... and states of the Lower Division ... shall be relieved from all obligations which may have been imposed upon them by article III (c) of the Colorado River Compact when the President issues (a) proclamation" (that 2½ million acre-feet is available from sources outside the drainage of the Colorado River.)

These provisions were the subject of much controversy and bargaining and many meetings between the various states. These eventually culminated in the language as it is now which is found in Title VI of the Committee approved draft.

"601(b) In the preparation and subsequent execution of the criteria, the following listed order of priorities shall govern the storage of water in storage units of the Colorado River storage project and releases of water from Lake Powell:

"(1) Releases to supply one-half the deficiency described in article III (c) of the Colorado River compact, if any such deficiency exists and is chargeable to the States of the upper division, but in any event such releases, if any shall terminate when the President issues the proclamation specified in section 305(b) of this Act.

"(2) Releases to comply with article III (d) of the Colorado River compact, less such quantities of water delivered into the Colorado River below Lee Ferry to the Credit of the States of the upper division from sources outside the natural drainage area of the Colorado River system.

"(3) Storage of water not required for the releases specified in subparagraphs (1) and (2) to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three lower division States and taking into consideration all relevant factors (including, but not limited to, historic streamflows, the most critical period of record, and probabilities of water supply), shall find to be reasonably necessary to assure deliveries under subparagraphs (1) and (2) without impairment of consumptive uses in the upper basin pursuant to the Colorado River compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the lower division to

the uses specified in article III (e) of the Colorado River Compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell."

IMPORTATION

S. 1019 directed the Secretary to prepare estimates of the long-range water supply available in the upper and lower basins of the Colorado River and to project these requirements to the year 2030. It also directed him to investigate alternative sources of supply to meet the needs in these basins. If an import was necessary, he was to make provision for adequate and equitable protection of the interests of the States in areas of origin. He was to prepare a feasibility study of a plan to import 2½ million acre-feet into the Colorado within three years of passage of the act.

The Upper Colorado River Commission draft provided that if such an importation plan was feasible, the same legislation would also authorize construction. The September 20 Draft directed the Secretary to make a similar feasibility study, but provided the first stage must include 2,000,000 acre-feet for satisfaction of the Mexican Treaty burden, and could also include 2,000,000 acre-feet for use in the Lower Basin, 2,000,000 acre-feet for use in the Upper Basin, and 2,000,000 acre-feet to be used along the proposed diversion route. It also gave to any area or state of origin the perpetual right of recall of any water used for importation.

Senator Jackson of the Senate Interior and Insular Affairs Committee opposed this and has consistently opposed the inclusion of any provision which would effectuate a meaningful study of an importation from the Columbia River. He has done this in several ways. In the Water Resources Planning Act of 1965 he included provisos that no studies would be made of interbasin transfers of water without express Congressional authorization, and that a River Basin Commission in the Northwest could not be established unless it was requested by governors of three of the four states of Montana, Idaho, Washington and Oregon. He also amended the Water Recreation Act by adding a similar bar to interbasin studies.

He has consistently demanded that any study of importation be made under the auspices of a National Water Commission. This Commission would be composed of seven members appointed by the President, who could not be connected with the federal government. They would work in conjunction with the Water Resource Council in deciding broad policy questions.

The Committee draft of H.R. 4671 provides that the Water Resources Council, in consultation with the National Water Commission, would establish principles, standards, and procedures to be followed in any importation study. The Secretary of Interior, under the direction of the National Water Commission, would use these guidelines in making a reconnaissance study of an import plan by December 31, 1969. Unless the plan proved obviously infeasible, the Secretary would then proceed with a feasibility study to be completed by December 31, 1971.

CONCLUSION

With this as a background, it is no wonder that Governor Clifford P. Hansen of Wyoming, on August 2, 1966, in a letter to President Johnson, found it necessary to withdraw previously given support of H.R. 4671, saying:

"The gradual erosion of ... basic principles through the process of ensuing negotiation and compromise has been a source of increasing concern to me. The cornerstone of our original position was 'that concurrently with any congressional author-

ization of the Lower Colorado River Basin project, or any of its component parts, there also be authorized a project or projects to import water into the Colorado River Basin from sources outside the natural drainage area of the Colorado River system'. This requirement has now eroded to the point where all that is required is a study of the importation question and even the procedures which are set forth in the bill for making this study would appear to be so cumbersome and difficult to implement that there is a serious question as to whether the study could be adequately executed within the time limits provided in the bill.

* * * * *

"Wyoming is vitally concerned that passage of this bill should not interfere with our right to the use of water allocated to use under the terms of the Colorado River Compacts. Water supply studies on the Colorado River indicate that there will not be sufficient water in the natural drainage area of the Colorado River to permit fulfillment of all of the commitments under the various compacts now in effect. Consequently, it seems obvious that there must be an importation of water into the basin if all states are to be permitted the use of waters to which they are rightfully entitled.

"All of the assurances in the world concerning the validity of compact allocations to Wyoming will be rendered ineffective if there is not sufficient water to meet these commitments.

"(Therefore) I cannot in good conscience lend my continued support to the passage of this bill in its present form."

Mr. ASPINALL. Mr. Chairman, I rise in opposition to the amendment.

(Mr. ASPINALL asked and was given permission to revise and extend his remarks.)

Mr. ASPINALL. Mr. Chairman, I regret very much that I cannot support the amendment offered by the gentleman from Wyoming [Mr. HARRISON] because I am in agreement with what the gentleman is trying to do; that is, to provide assurance that in the future the upper basin States will have available 7.5 million acre-feet of water as anticipated by the Colorado River compact and the Upper Colorado River Basin compact.

The amendment provides for a feasibility study and report on a plan for augmenting the river by 4 million acre-feet instead of 2.5 million acre-feet. As the gentleman knows, the cost of additional water made available by augmentation must be repaid. Until the upper basin States, and particularly Wyoming, are further along with development of the water already apportioned to them, I do not believe we are ready to ask for a feasibility study covering an additional 1.5 million acre-feet. I would point out that subsection (a) of section 201 provides authority for reconnaissance investigations and report covering the matter involved in this amendment. I would also point out, in the event that it has been overlooked by my friend from Wyoming, that if 2.5 million acre-feet annually, or even 1.7 or 1.8 million acre-feet—the amount to take care of the Mexican Water Treaty—is made available in the lower basin, that this will have the effect of making available to the upper basin States an additional 750,000 acre-feet annually.

In addition, there are flaws in the language of the amendment. As written, the study would provide for the entire 4 mil-

lion acre-feet being available below Lee Ferry. Also, even with 4 million acre-feet of new water available, we cannot assure the deliveries of water provided for in the amendment.

Mr. Chairman, I regret very much that Wyoming has not been able to give its support to this legislation because I believe its rights are fully protected and that it will receive extensive benefits from the enactment of H.R. 3300.

I shall have more to say on this subject in a few minutes when another amendment is proposed. The only difficulty at the present time that we have in the upper basin—and this is true in Colorado, it is true in Wyoming, and it is true in Utah—that we do not have planning reports ready that have gone through the reconnaissance survey, and feasibility survey procedures, and available here for the consideration of this committee at this time. That is our difficulty.

Wyoming does not have any. I understand their position. No one in Congress during the last 20 years has worked harder for the welfare of the State of Wyoming than I have. I am just sorry that I cannot go along with the amendment.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, reluctantly I go along with the gentleman from Colorado in his reluctant opposition to the amendment for the reasons he has stated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming [Mr. HARRISON].

The amendment was rejected.

AMENDMENT OFFERED BY MR. SAYLOR

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: On Page 55, line 12: After "(4)", strike out "Hooker Dam", and insert "Conner Dam".

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 5 minutes in support of his amendment.

(Mr. SAYLOR asked and was given permission to revise and extend his remarks.)

Mr. SAYLOR. Mr. Chairman, one of the matters of controversy in this legislation involves the site of a dam to store the waters given to the State of New Mexico in this bill. If there is augmentation in the first instance, the State of New Mexico is entitled to 18,000 acre-feet. If there is further augmentation in the river, then they are entitled to an additional 30,000 acre-feet.

Mr. Chairman, construction at the Hooker site of a dam high enough to store the amount of water allocated in this bill to New Mexico would result in the backing of slack reservoir water across land within the Gila primitive area, which is subject to review for future inclusion in the national wilderness preservation system, and through the Gila Gorge some 9 miles within the Gila wilderness area.

The Gila wilderness area is one of 54 units of the national wilderness preservation system established by the Con-

gress just 4 years ago, by means of the Wilderness Act—Public Law 88-577—"to secure for the American people of present and future generations the benefits of an enduring resource of wilderness." Through the leadership of the late Aldo Leopold, it also was the first wilderness established by the Forest Service in the United States in 1924. It should not be degraded by a man-made, unnatural intrusion as a result of this legislation.

If the Forest Service is going to be able to fully protect the Gila wilderness from nonconforming uses and developments, the bill should be amended to eliminate all references to the Hooker site. An alternative damsite downstream, the Conner site, should be substituted for the Hooker site in the bill to avoid this direct threat to the wilderness area. The phrase, "Conner Dam or suitable alternative," would be preferable to the present language. Many members of the full committee favored this language over the present language of H.R. 300, which, as a minimum, must be interpreted by the Secretary of the Interior as a clear mandate to find an alternative to the Hooker site.

During the committee's consideration of this portion of the bill, it became obvious that adequate, up-to-date technical studies of the Hooker project, and the most feasible alternatives based on the provisions of the current legislation, were lacking. Because the Wilderness Act requires a determination that a water-development project within a wilderness will better serve the interests of the United States than will its denial, and because the necessary study had not been made that would have furnished the facts on which the committee could have made a decision, the committee amended the bill to require such a study—the "Hooker Dam or suitable alternative" language. This amendment—while it does not go as far toward eliminating Hooker Dam as is needed—intends that the Secretary of the Interior shall study the project, taking into account at least the following.

First. The uses to which the water would be put and the benefits that would accrue to the people of the United States; second, comparative advantages of different methods of providing the water, such as, but not restricted to, reservoir storage at various sites, purification of brackish water, and pumping from underground sources; third, means for protecting existing water rights; fourth, damage to the natural environment, wildlife, and scenic resources, particularly those public lands within the wilderness area and primitive area; and fifth, the construction, maintenance, and other costs of dams at the Hooker site, Conner site, and other suitable sites, or other alternative water supply methods.

I would also like to point out that other wilderness areas will be in great jeopardy if a reservoir and associated developments are permitted in this unit of the national wilderness preservation system. I understand that, in Montana, the Bureau of Reclamation has plans to flood out part of the Bob Marshall wilderness area by a dam on the Sun River. Also in Montana, the proposed Glacier View Dam

would flood irreplaceable wilderness lands in Glacier National Park. Plans exist to construct water-development projects that would invade the Flat Tops wilderness in Colorado, the High Uintas in Utah, and primitive areas in Idaho. The Hooker Dam proposal is a test case. I believe it marks a crisis in the history of wilderness preservation in the United States. An alternative to Hooker Dam can and must be found.

An excellent summary of the potential impact of Hooker Dam on the Gila wilderness, and of the advantages of the alternative Conner site, was published recently by the Wilderness Society, a respected national conservation organization, which with other national conservation groups strongly opposes the authorization of this dam. I quote part of its report:

The Hooker project would destroy extraordinarily scenic wilderness lands and miles of wilderness river, eliminate significant fisheries and wildlife habitat, and obstruct access to the wilderness by foot and horseback.

The Gila River Canyon in the Hooker Reservoir area is steep and narrow, strictly limiting use of the reservoir for recreational purposes. Precipitous, rocky terrain would make a recreation access road to the reservoir very expensive to build. Few locations on the steep slopes around the reservoir would allow adequate campground, parking, or boat-launching facilities. An alternate dam site downstream—the Conner site—would provide additional recreational facilities without destroying wilderness values.

In summary, I believe the Congress should accept the judgment it made in 1964 when it placed the Gila wilderness in the wilderness system, and should not now authorize a reservoir project which will invade the Nation's first wilderness and set a pattern for other invasions of the National Wilderness Preservation System in the future.

This amendment provides the alternative dam site, which is Conner Dam and Reservoir, which, in turn, will both provide New Mexico with its water and preserve the integrity of the National Wilderness Preservation System.

Mr. Chairman, I urge and move the adoption of this amendment.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I want to make sure I understand what is at stake here, because there has been some public discussion, and the Members have had some communication on this subject. The bill, as passed by the Senate, a similar bill, contained a flat unqualified authorization for construction of Hooker Dam which would have caused some invasion of the wilderness area.

Mr. SAYLOR. That is correct.

Mr. UDALL. In the House committee, I offered an amendment which changed that flat authorization—and the amendment was adopted—to an authorization for Hooker Dam “or a suitable alternative.” The committee report directs the Secretary to study this again, to take the outdated studies and bring them up to date, and find out whether or not there is an alternative for Hooker Dam. Is this correct?

Mr. SAYLOR. That is correct.

Mr. UDALL. Is it not the gentleman's understanding that the good people who represent New Mexico in this Congress are willing that such a study be made, and they do not want to invade the wilderness area unless it is absolutely necessary?

Mr. SAYLOR. That is correct. Both the distinguished gentlemen from New Mexico who serve in the House have so assured me, and I understand the same assurance has been given the people of New Mexico by the senior Senator from that State.

Mr. UDALL. So the pending bill as now written will make sure there is a further study and leaves final resolution further down the line?

Mr. SAYLOR. That is correct.

Mr. UDALL. The only difference in the gentleman's amendment, as I understand it—and he also wants a study and wants a decision at a later time and he wants the Secretary to look at all the alternatives and bring the estimates in—is the gentleman suggests that the language read “Connor Dam” or suitable alternative so the the emphasis is pointed there rather than at Hooker Dam as these studies begin. Is this exactly it?

Mr. SAYLOR. This is exactly just what this amendment does.

Mr. UDALL. It seems to me we are not really arguing about anything of any great substance, that either the language the committee put in the bill or the language of the amendment will do essentially the same thing.

Mr. SAYLOR. It may come out to the same end. I just hope this amendment will be adopted, so the Secretaries will not think they are directed to look at Hooker.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. SAYLOR was allowed to proceed for 2 additional minutes.)

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, I join with the gentleman in his statement and feeling, and also the assurance of the gentleman from Arizona [Mr. UDALL] that this committee, from which the bill came, and this House itself is serious in every sense of the word, absolutely and completely that the investigation will be made so that, when whatever is built in New Mexico, it is built wherever it can be built with the very least detriment to any of the scenic opportunities of that State.

I commend the gentleman for pointing this out. I would like to get it on the Record in triple clarity that the Department of the Interior, when it makes this study, is to make a most serious evaluation and a most serious attempt to get this installation away from that portion of the Hooker site to which the conservationists object.

Mr. SAYLOR. Mr. Chairman, I thank the gentleman.

(Mr. UDALL asked and was given permission to revise and extend his remarks.)

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if I could have the attention of the gentleman from Pennsylvania, I would like to raise one more point of clarification and make legislative history in the event the amendment of the gentleman is adopted.

The committee took the view—and it was the intention of the committee and it is so indicated in the report—that if the studies are carried out, under the language now in the bill, Connor Dam might well be the alternative for Hooker Dam. Does the gentleman intend in his amendment that if no other site can be found, if there is no other feasible way to do it, under language of his amendment conceivably Hooker Dam could be an alternative for Connor Dam?

Mr. SAYLOR. This is correct.

Mr. UDALL. I thank the gentleman.

Mr. SAYLOR. I would hope this would not occur, but it is perfectly within the realm of possibility.

Mr. UDALL. Then, if the members of the Committee please, I suggest again we are not really arguing over any matter of great substance. In either event there will be a study. There will be a final look at this. There will be an opportunity, when appropriations are sought, to review this matter once again, regardless of the decision which is made.

So I would prefer and I would suggest that in this situation we stay with the committee and we stay with the people of New Mexico.

I want to commend their leaders in this House and in the other body for the attitude they have taken on this matter. There has been a lot of national publicity about this. But New Mexico has said, “We do not want to invade the wilderness. We hope there is an alternative. We hope that another way can be found to do this job.”

In this situation, where there is no real distinction between the effect of the amendment and the language of the bill, I hope this committee will stay with New Mexico. We do not have to have this argument now. We can settle it later, down the line.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I did not want to bring this matter up, but the gentleman called our attention to the question of sticking with the committee. If the Members will look at the committee report, they will find a majority of the members of the committee objected, and signed views asking that this be changed. So if the Members want to stick with the committee they will adopt my amendment.

Mr. UDALL. The gentleman has correctly stated the number who signed the separate views. Let me say one more thing for the benefit of the Members who have been concerned about communications from conservation groups on this amendment.

Most of the Members received the other day a brochure from a Sierra Club and a letter. In that letter the Sierra Club does not ask for this amendment. I am sure they would be happy with it, but they do not ask for it. What they ask is:

I hope you will seek assurance from the sponsors of H.R. 3300 that there will be a diligent search for a suitable alternative—one that will take full account of the values of the Gila River and the Wilderness.

The New Mexico members have given that assurance in letters to the Members of the House. The committee has given that assurance. I give that assurance. The gentleman from California gives that assurance.

I would hope, under the circumstances, the members of this Committee would stay with the Committee on Interior and Insular Affairs in the way we wrote the bill as it finally came to the floor, regardless of the matter pointed out by the gentleman from Pennsylvania.

Mr. REINECKE. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. REINECKE. I, too, want to make it clear that it was our intention there would be a full and fair and clear study of the situation.

Whether the wording results in either Hooker or Conner at this point I do not believe is too material, other than the fact that there should be a full and fair and thorough study.

I might also comment, it is refreshing to find that here is one question on which we can agree, that there should be studies, without opposition.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Colorado.

Mr. ASPINALL. This whole matter will go to conference, anyhow. It may come out without either name, is that true?

Mr. UDALL. That is entirely possible. I suspect one of the Senators from New Mexico will have something to say in that conference.

[Mr. WALKER addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks]

Mr. KYL. Mr. Chairman, I move to strike the requisite number of words.

(Mr. KYL asked and was given permission to revise and extend his remarks.)

Mr. KYL. Mr. Chairman, it is, of course, with no wisdom that anyone says we can violate a rule without creating a precedent.

Of course, the invasion of the wilderness area will create a precedent—there cannot be any argument about that.

The discussion we have had seems to circumvent the point which is really at issue. It is obvious that most people believe the Hooker site is the site where the dam should be built, and where it undoubtedly will be built, but we are here arguing about some verbiage, or about the name of a dam. And I am somewhat amazed by all of this argument in view of the fact that there is another great conservationist from that great State of New Mexico, who only a few years ago

argued and pleaded with the Members of both Houses of the Congress to create a 65-million-acre wilderness system which would be inviolate to any kind of activity of any sort which might alter its character. The same conservationist who waged that fight at that time is now the first one to come in and create a precedent in undoing the Wilderness Act.

Mr. Chairman, if this matter is of no great significance we might as well go along with the amendment of the gentleman from Pennsylvania, and at least give some emphasis to trying to protect the wilderness system. If those studies then show, after proper emphasis, that the Hooker site is the proper site where a dam should be built, the fight will have been fought and the battle will have been lost by those who wanted to preserve the wilderness, but nothing will be lost for the project which we are debating today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The question was taken; and the Chairman announced that the yeas appeared to have it.

Mr. SAYLOR. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SAYLOR and Mr. UDALL.

The Committee divided, and the tellers reported that there were—ayes 45, noes 89.

So the amendment was rejected.

Mr. ULLMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to take this time to direct some questions to the very able chairman of the committee, the gentleman from Colorado [Mr. ASPINALL].

First, I would like to say the gentleman has acted with his usual fairness and impartiality in dealing with the amendments that have been proposed today. I very much commend him for the position he took with respect to the amendment that was proposed by the gentleman from Pennsylvania which carried, and further by his strong stand in opposition to the amendment by the gentleman from Wyoming.

Mr. Chairman, I would like to ask, referring now to sections (b) and (c) of section 201, title II, this question with respect to the expenditures of moneys authorized in this bill.

In section (c) it says:

The Secretary shall prepare a feasibility report on a plan which shows the most economical means of augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet annually.

It is my understanding that no moneys shall be expended for any study beyond the 2½ million acre-feet. Is that right, Mr. Chairman?

Mr. ASPINALL. The position taken by the gentleman is correct; 2½ million acre-feet is the maximum.

Mr. ULLMAN. That is the maximum that they can study. Does that limitation also refer to the reconnaissance study that is being authorized in section (b)?

Mr. ASPINALL. With this particular project, that does.

But I would advise my colleague that this does not prohibit the Secretary in

his general authority to make reconnaissance surveys as he is making in my colleague's State and as he is making in my State at the present time after he has received authorization for appropriation and the moneys through the general appropriations process.

Mr. ULLMAN. What I am specifically referring to is this: He will come back before the committee of the Congress and make the report as he is directed to do and the first report will be a reconnaissance reports?

Mr. ASPINALL. The gentleman is correct.

Mr. ULLMAN. When he makes that report, is it within his scope to come back and say, "It is not feasible in our judgment to import water from the Columbia River in the amount of 2½ million acre-feet, but in our studies we have determined that it would be feasible to make such importation at the figure of, say 6 million acre-feet."

Mr. ASPINALL. Not under this feasibility report. He would have to get another authority from the Congress and from the executive department.

Mr. ULLMAN. I thank the gentleman very much. Then the language of this bill is quite clear in that it authorizes the expenditure of funds only for studies limited to 2½ million acre-feet?

Mr. ASPINALL. The gentleman is correct.

Mr. ULLMAN. I thank the gentleman from Colorado.

AMENDMENT OFFERED BY MR. SAYLOR

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: On page 78, line 10: Strike all of section 501, and insert in lieu thereof a new section 501 to read as follows:

"SEC. 501. (a) In order to provide for the construction, operation, and maintenance of the Animas-La Plata Federal reclamation project, Colorado-New Mexico and the Dolores Federal reclamation project, Colorado, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), and to provide for the completion of planning reports on other participating projects, subsection (2) of section 1 of said Act is hereby further amended by deleting the words "Pine River extension", and inserting in lieu thereof the words "Animas-La Plata, Dolores". Section 2 of said Act is hereby further amended by deleting the words "Parshall, Troublesome, Rabbit Ear, Tomichi Creek, East River, Ohio Creek, Dolores, Fruit Growers Extension, Animas-La Plata" and inserting after the words "Yellow Jacket" the words "Basalt, Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomicki Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units)", and by inserting after the word "Sublette" the words "(including the Kendall Reservoir on Green River and a diversion of water from the Green River to the North Platte River Basin in Wyoming), Uintah unit and Ute Indian unit of the Central Utah, San Juan County (Utah), Price River, Grand County (Utah), Ute Indian unit extension of the Central Utah, Gray Canyon, and Juniper (Utah)". The amount which section 12 of said Act authorizes to be appropriated is hereby further increased by the sum of \$170,000,000 plus or minus such amounts, if any, as may be re-

quired, by reason of changes in construction costs as indicated by engineering cost indexes applicable to the type of construction involved. This additional sum shall be available solely for the construction of the projects herein authorized.

"(b) The Animas-La Plata Federal reclamation project shall be constructed and operated in substantial accordance with the engineering plans set out in the report of the Secretary transmitted to the Congress on May 4, 1966, and printed as House Document 436, Eighty-ninth Congress: *Provided*, That the project construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

"ANIMAS-LA PLATA PROJECT COMPACT

"The State of Colorado and the State of New Mexico, in order to implement the operation of the Animas-La Plata Federal Reclamation Project, Colorado-New Mexico, a proposed participating project under the Colorado River Storage Project Act (70 Stat. 105), and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and have agreed upon the following articles:

"Article I

"A. The right to store and divert water in Colorado and New Mexico from the La Plata and Animas River systems, including return flow to the La Plata River from Animas River diversions, for uses in New Mexico under the Animas-La Plata Federal Reclamation Project shall be valid and of equal priority with those rights granted by decree of the Colorado state courts for the uses of water in Colorado for that project, providing such uses in New Mexico are within the allocation of water made to that state by articles III and XIV of the Upper Colorado River Basin Compact (63 Stat. 31).

"B. The restrictions of the last sentence of Section (a) of Article IX of the Upper Colorado River Basin Compact shall not be construed to vitiate paragraph A of this article.

"Article II

"This Compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States."

"(c) The Secretary shall, for the Animas-La Plata, Dolores, and Seedskadee participating projects of the Colorado River storage project, establish the nonexcess irrigable acreage for which any single ownership may receive project water at one hundred and sixty acres of class 1 land or the equivalent thereof, as determined by the Secretary, in other land classes.

"(d) The words 'any western slope appropriations' contained in paragraph (1) of that section of Senate Document Numbered 80, Seventy-fifth Congress, first session, entitled 'Manner of Operation of Project Facilities and Auxiliary Features', shall mean and refer to the appropriation heretofore made for the storage of water in Green Mountain Reservoir, a unit of the Colorado-Big Thompson Federal reclamation project, Colorado; and the Secretary is directed to act in accordance with such meaning and reference. It is the sense of Congress that this directive defines and observes the purpose of said paragraph (1), and does not in any way affect or alter any rights or obligations arising under Senate Document Numbered 80 or under the laws of the State of Colorado."

Mr. SAYLOR (during the reading). Mr. Chairman, I ask unanimous consent to dispense with further reading of the amendment and that the amendment be printed in the RECORD, and that I be permitted to explain it.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SAYLOR. Mr. Chairman, the amendment which I have offered is one which I am sure will not be adopted, but I have offered it for the purpose of establishing a record.

The amendment would authorize only two projects in Colorado. They are the two projects which have been approved and on which favorable reports have been received. It would delete from the bill the three projects in Colorado on which final reports have not been submitted to our committee.

This is the first time, I believe, in the history of the Congress that we have ever authorized legislation for projects before favorable reports had been received from the Department. I would hope that the amendment would be adopted. It would have some startling effects. It might save, in times like these, at least the authorization of about \$150 million, and it would be, I believe, at this time a good amendment to adopt.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to my chairman of the committee, if he cares to comment.

Mr. ASPINALL. Mr. Chairman, first, if I started to reply completely to the gentleman, I could talk for a long time on this particular matter, but I do not intend to do so. The gentleman from Pennsylvania opposed the Colorado River project, which was authorized in the 84th Congress. But, as soon as the measure was passed, and ever since then, he has been doing everything he can in order to make it a good project. I wish to congratulate him because he has been very cooperative and very constructive.

However, on this particular matter the gentleman is not entirely correct. I know he does not wish to mislead us. The letter from the Bureau of the Budget reads as follows:

In summary, for the reasons expressed above, the Bureau of the Budget would favor deferral of at least the West Divide, San Miguel, and Dallas Creek projects at this time, pending the establishment of the National Water Commission and completion of its review of related water problems.

Of course, I take exception to that because these projects have already been considered. They already have planning reports. The gentleman was mistaken in the statement that we do not have planning reports. We do have them. We have a favorable position so far as the Department of the Interior is concerned, and we have favorable benefit-to-cost ratios in accordance with the formula currently used.

The letter from the Bureau of the Budget proceeds further to state:

We believe that this course of action will permit water developments needed at this time in the Colorado Basin to proceed, but at the same time provide a basis for thorough consideration of the fundamental issues involved and a recommended program that will be in the best interest of the people of the Upper and Lower Colorado Basin, as well as the Nation as a whole.

Let me suggest to my colleague very briefly—and I shall get the gentleman

more time if he needs it—Colorado furnishes over 70 percent of all the water in the Colorado River Basin. Under the provisions of the Colorado River Compact, the first 1½ million acre-feet, or thereabouts, goes to Old Mexico. The next 7½ million acre-feet goes to the lower basin.

The next 7½ million acre-feet is supposed to go to the upper basin. There has never been this much water on an annual average in the basin since 1922. So what the upper basin stands to get at the present time, without augmentation, is probably 6 million acre-feet.

Let me give some other facts. The upper basin compact, of course, provides that 51.75 percent of the entitlement of the upper basin should go to Colorado, and 11.25 percent should go to New Mexico, and 23 percent should go to Utah, and 14 percent should go to Wyoming, and Arizona will have a guarantee of 50,000 acre-feet out of that entitlement of 7½ million acre-feet.

In accordance with the provisions of the Colorado River Storage Act, Colorado is entitled to 46 percent, New Mexico to 17 percent, Utah to 21.5 percent, and Wyoming to 15.5 percent.

Colorado's share of the present flowage of the river since 1922, based on an annual figure, is approximately 3.1 million acre-feet of water.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent (at the request of Mr. ASPINALL) Mr. SAYLOR was allowed to proceed for an additional 5 minutes.)

Mr. ASPINALL. Mr. Chairman, if the gentleman will yield further, Colorado was using approximately 1.8 million acre-feet of water in 1956. That leaves approximately these 1.3 million acre-feet of water for Colorado's future use. Colorado's authorization in the Colorado storage project for water use was only 38,000 acre-feet of water. We stood on the provisions of the act and did not complain. But we went to work immediately after that and we have spent Colorado State money and also conservancy district's money of about \$6 million since 1956 in order to get our project studies and investigations underway. Most of this money has gone into Bureau of Reclamation's control. So what we have left at the present time for future projects is approximately 818,000 acre-feet. This project, the Colorado projects in this bill, will take approximately 378,000 acre-feet, which will then leave Colorado about 440,000 acre-feet for future development.

As I tried to explain, when my good friend from Wyoming was in the well, we just do not authorize projects—we do not study them in the Committee on Interior and Insular Affairs—and the gentleman from Pennsylvania is responsible for this procedure as well as the rest of us—until we do have planning reports before us. We do have planning reports for these five projects. We do have the OK from the Department of the Interior.

It is true that the Bureau of the Budget endeavored to kick out the three projects, but this was their way of, I sup-

pose, trying to say we are going too fast. We are not going too fast. With these projects we will not be using one-half of the water which is left for Colorado to develop.

Mr. SAYLOR. Mr. Chairman, I direct this question to the chairman of the full committee: Can the gentleman give us any schedule or program as to when these three projects might be built?

Mr. ASPINALL. I shall give the general program, as I said yesterday. Construction will not start, in accordance with what I said and what I hope is the prevailing feeling in the Congress, until after this war emergency is over. Then it would mean that two or three of the projects would immediately receive some kind of study and some kind of investigation, leading to the final designs, as my colleague understands. Two of these projects will depend upon future determinations.

May I say to my colleagues, we had five projects authorized in Colorado in Public Law 485. One of those projects was later on found to be infeasible with the final study. This might happen to some of these projects, but this makes the record that the State of Colorado is entitled to proceed with its entitlement, just like any other State in the basin, and they are prepared to do it.

Certain of these projects depend on sale of municipal water. No other projects can start, in the way we are now operating in the Bureau of Reclamation programs, until the execution of contracts calling for repayment. My colleague understands that as well as I do.

Mr. SAYLOR. Is what the chairman of the full committee is telling us then is that even though there are five projects authorized for Colorado, there is a likelihood that at least two of these projects may never proceed?

Mr. ASPINALL. I would not put it like that. I would say that this then would leave it up to Colorado to make a later determination whether other projects are more feasible and more desirable. These projects are all good, but they have to be paid out in accordance with reclamation project procedures. If the users are not there to pay them out, they will have to be delayed accordingly.

Of course, I oppose the amendment offered by my friend from Pennsylvania.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The amendment was rejected.

Mr. HANNA. Mr. Chairman, I move to strike the requisite number of words.

(Mr. HANNA asked and was given permission to revise and extend his remarks.)

Mr. HANNA. Mr. Chairman, I shall not take 5 minutes, and I appreciate the committee's indulgence.

First I should like to commend the chairman of this great committee, for bringing this legislation to the floor and to the Committee of the Whole.

I know of no work in the Congress which inures more strongly to the benefit of generations of Americans yet to be born and to live under this Government than the work being done by this committee, and this important matter of water.

I certainly look forward to this Congress acting affirmatively on the suggestions of the committee.

I would be remiss if I did not bring to the consideration of this committee an augmentation of the problem of water with regard to another facet of this very important field and its place in the life of the total people of America.

In the past we know, and in the present we live, the fact that people do not go to the place where the water is. Rather, the economic and social forces determine where people will be collected, and there we must bring the water. We have learned this.

In the West more than any other place we have had this history, and we have been able to meet the challenge of bringing the water to the people. The wise policies of this Nation generated in no small respect by this great committee has been, to husband the waters we have available, to distribute them and to use them, where they will best serve the interests of our Nation and of its people.

But to conserve well and to use wisely the water now available on the continent is not enough. We have to develop new waters. Therefore, desalinization of sea water is most important. It should not be in place of but should go along with the husbanding of and the distribution of and the use of fresh waters, to add to these the waters we can reclaim from the oceans.

So long as 75 to 80 percent of our people are within 50 miles of the ocean fronts, good sense dictates we ought to move with the momentum which is now available to us in utilizing atomic energy to recapture fresh waters from the oceans.

I hope that this Congress will not be derelict in moving along in this parallel path of developing new sources of water.

This Congress has favorably acted on a proposal for a desalinization plant at Bolsa Island, off the coast of Orange County. That project at the present time does have some problems financially. I hope the Congress will pick up this matter, and not allow it to be slipped into the past or to become dormant, or to lose the momentum in this particular part of our program. I hope Congress will support it and encourage it. I certainly hope that the committee will keep it in mind as a part of the total water future of America.

I commend the committee for what has been done, and I certainly hope they will also go forward with a great program in desalinization.

I thank the committee.

Mr. EVERETT. Mr. Chairman, in studying the committee report on H.R. 3300, I am impressed by the high percentage of the central Arizona project's costs that will be repaid to the Federal Government by its beneficiaries.

Over the 50-year repayment period, \$671 million of the \$779 million cost will be returned to the public treasury. The nonreturnable costs, only 14 percent of the total, are credited to general public values such as recreation, flood control, fish and wildlife, water salvage, and wildlife refuges.

We spend billions of dollars every year for which we expect no direct or measurable return at all, so I am glad to support

this bill as basically an investment proposal.

I am informed that the annual benefits of the central Arizona project alone will be \$82,537,000.

The central part of Arizona enjoys a year-round growing season where melons, lettuce, and other garden vegetables are produced in the wintertime. Let me call your attention to the fact that last year the United States imported \$65 million worth of such produce. So this Arizona project can be a factor in improving our Nation's presently unfavorable balance of payments in world trade. Whatever we can grow here at home we would not have to buy from foreign nations.

While our business today is H.R. 3300, I would like to take just a moment to mention the value of the reclamation program in general and to praise the work of the Interior and Insular Affairs Committee. In 1966 irrigated reclamation lands produced an estimated \$1.7 billion worth of crops; reclamation projects provided 40.5 billion kilowatts of electricity which returned almost \$124 million to the Federal Treasury; and reclamation reservoirs supplied 589 billions of gallons of water for municipal and industrial use by 13.2 million people.

It seems to me that reclamation projects are among the rather few things on which we spend money that actually produce wealth—increase our gross national product—rather than consume wealth with no direct returns.

And if we could measure the amount of taxes collected and traceable to the resources made available by such projects, the story would be even more impressively favorable.

I am glad to lend my support to H.R. 3300 as an essential and sound investment in American resource development.

Mr. JOELSON. Mr. Chairman, although I do not question the ultimate desirability of this Colorado River project, I do very strongly question the wisdom of our being asked to consider it at this time of fiscal crisis. At the very moment of clamor for billions of dollars of cuts in Federal spending, we are now presented with a package bearing a price tag of more than a billion dollars.

It is true that this is merely an authorization bill, not an appropriation bill. However, history should teach us that authorized spending has a way of becoming actual spending before long.

We need a sensible concept of priorities, and I think that we have more urgent and pressing needs confronting us. For this reason, I must conclude that I cannot support the pending legislation at this time.

Mr. COHELAN. Mr. Chairman, I join with the other members of the California delegation in support of H.R. 3300, the Colorado River Basin Act.

The bill represents a finely balanced regional compromise over the division of existing but grossly inadequate water resources.

It is my hope, however, that every possible step will be taken to assure that a suitable alternative to the Hooker Dam, mentioned in the committee's bill, can be found.

Just 4 years ago, the Congress established the national wilderness preserva-

tion system "to secure for the American people of present and future generations the benefits of an enduring resource of wilderness."

The Gila Wilderness Area, which was the first wilderness established by the Forest Service in the United States in 1924, is already a part of the national wilderness preservation system established by that act. The Gila Primitive Area is subject to review for future inclusion in the system.

The Gila's gentle wilderness is extraordinarily beautiful. Significant parts of it would be destroyed if the Hooker Dam were built.

A majority of the committee recognized the need to find a suitable alternative to the Hooker Dam, and I note the strong separate views they filed on this matter in the committee's report on the bill.

I think our decision 4 years ago to establish a wilderness system was sound. I think every effort should be made to continue the preservation of these wilderness areas.

I support the bill today on the basis that a diligent effort will be made to save the Gila wilderness.

Mr. MONAGAN. Mr. Chairman, I oppose H.R. 3300.

Although I realize that this bill is now to some degree a pious declaration of intent, nevertheless, I believe that I should express my reservations.

I describe this legislation as I have because its complicated provisions radically limit possible expenditures in the next few years, especially when one contemplates the political and physical changes that may take place in that time.

It is my judgment, therefore, that even though we are not appropriating funds or even authorizing immediately expendable appropriations, we should not in this time when expenditures on programs of defense and social welfare are threatened give a go-ahead signal to projects of the magnitude and vagueness of those proposed in this bill which involve the ultimate expenditure of \$1.28 billion.

Mr. SCHWENGEL. Mr. Chairman, as most of my colleagues are aware, I consider myself a conservationist in the truest sense of the word. I believe that our Nation can and should conserve our natural resources by the elimination of losses to the fullest practicable extent. I refer to all of our natural resources, but at this time I am addressing myself to the water resources. I note with satisfaction that H.R. 3300 provides for immediate and meaningful steps to conserve these water resources and further provides for investigation and implementation of further water conservation measures.

More specially the central Arizona project is in itself a conservation measure because as the hydrologic figures of the Department of the Interior clearly indicate, in the absence of a central Arizona project, there will be periodic spills to the Gulf of California for many years in the future. Water flowing to the gulf is an irrecoverable loss. The existence of a ditch diverting from Lake Havasu

would permit the capture and utilization of such spills to the extent of the capacity of the aqueduct.

Mr. Chairman, it is important to point out that section 3300 gives the Secretary authority to undertake programs for water salvage along and adjacent to the mainstream of the Colorado River and for groundwater recovery. Such programs must be consistent with the maintenance of a reasonable degree of undisturbed habitat for fish and wildlife, as determined by the Secretary. The water salvage program consists of groundwater recovery in the Yuma Arizona area and eradication and control of phreatophytes presently covering 42,000 acres of land near the Colorado River which consume thousands of acre-feet of water each year. It is estimated that the total salvage program, when combined with the channelization of the river which is now in progress will salvage approximately 680,000 acre-feet of water each year. Not all of these measures are dependent upon passage of H.R. 3300, but it is estimated that the water salvage measures expressly provided in H.R. 3300 will conserve 320,000 acre-feet annually in the lower Colorado River Basin along the main stem of the river. As indicated on page 64 of the committee report on this bill, \$42,450,000 for water salvage and recovery has been included in the cost estimates for the central Arizona project.

In addition to the direct salvage provisions of section 306, the bill requires in section 304(c) that each contract under which water is provided under the central Arizona project shall require that the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings adequate, in his judgment, to prevent excessive conveyance losses.

As indicated on page 64 of the committee report, a total of \$30 million has been included in the cost of the central Arizona project for the construction of distribution and drainage systems. Section 309(b) authorizes appropriations of an additional \$100,000 for construction of distribution and drainage facilities.

Within the central Arizona project area itself provision is made for the construction of four dams: Orme Dam, Buttes Dam, Charleston Dam, and Hooker Dam. In the case of Orme Dam and Buttes Dam, the flood runoff from the drainage area tributary to the Salt and Gila Rivers respectively below the last point of control on each stream will be impounded. Under present conditions, this flood runoff spills over the diversion dams and is largely wasted in the sands of the river beds below. In the case of Hooker and Charleston Dams, each will impound water near the headwaters of their respective streams and will thereby reduce the channel losses between the point of impoundment and the next downstream reservoir.

Perhaps the biggest potential for salvage contained within H.R. 3300 is the potential offered by the investigations and planning which would be carried for-

ward pursuant to title II. As therein indicated, the Secretary of the Interior will, within the framework of the principles and standards established by the Water Resource Council, investigate and recommend sources and means of supplying water to meet the current and anticipated water requirements of the Colorado River Basin. The bill suggests that the Secretary consider desalination, weather modification, and other means. The current and anticipated water requirements cannot be supplied by any one means.

I rather think that the end result of the investigation by the Secretary will develop that there should be a combination of things done to provide the requisite water resource. While the act does not specifically mention watershed management, I feel that this holds a tremendous potential which becomes more apparent when it is recognized that in the State of Arizona alone approximately 80 million acre-feet of water falls as rain or snow but of this amount, only 2 million acre-feet is available for use. Here is a potential for conservation in its truest sense.

If we can develop methods to decrease the waters lost by transpiration and evaporation from nonbeneficial plants and land areas by 1 percent of the total precipitation on the State, we will have saved 800,000 acre-feet of water. Desalination is, of course, water conservation in its truest sense as is weather modification, both of which are clearly set forth in the bill.

Recharging of groundwater reservoirs through the control of localized surface runoffs and injection of such water into the ground water is a conservation measure which is being extensively investigated in Arizona and will no doubt be another of the many potentials which the Secretary will look into in pursuance of the instructions set forth in H.R. 3300.

This is not to say that these are the only potentials, for we know there are others. I think that we must recognize that the water problems of the Colorado River Basin must and will be solved and that we must take a giant step in that direction by the passage of H.R. 3300. These are powerful arguments for this bill and justify its favorable consideration.

Mr. Chairman, while I feel the foregoing arguments justify support on my part, there are several other matters that need consideration as I seek to represent the people of the First District of Iowa. First, I would like to point out that I recognize there are water problems in the Southwest which do need our sympathetic consideration and fortunately this bill seeks to solve this critical water problem. Another important point, until now two important States were fighting over water rights and now they have come to some agreements that will satisfy them before they solve the other problems.

Mr. Chairman, this bill, H.R. 3300, interests me for a number of reasons and it does several things that promote the interests of conservation. There are water problems in the Southwest which do

need attention and this bill seeks to solve them.

But before giving my support to the legislation I want to be sure of several important aspects of the problem.

First of all I want to know if approved, what will be the effect of H.R. 3300 on the budget in the immediate future? And will the central Arizona project put more farm land into crop production with the farmers of Iowa.

The bill as we all know does not appropriate any funds for construction. It merely authorizes various projects of the entire program at this time. This means that when budgetary conditions normalize and when it will become necessary to adjust from a wartime to peacetime economy, construction on these projects can get underway and then funds for construction will be spread out over 10 years when it will become possible to begin building.

One other reassuring feature of H.R. 3300 is that the Secretary of the Interior is directed to require that lands be irrigated must have a recent history of irrigation. The legislation will not expand farm acreage. This no-farm expansion provision makes good sense to me and to the farmers of Iowa.

Some day we may need more farm crops, but at the present time we have plenty and the central Arizona project is not going to increase present day surplus problems when it is built.

Some may say why action now? This is simple. Agreement has finally been reached by the parties most directly concerned. The road leading to this agreement has been long and hard. State and local officials, residents of the area and conservationists have reached an accord. As one who is vitally interested in conservation, I was particularly concerned about the implications of this bill for this area. I am pleased that most of the objections conservationists voiced in regard to this legislation have been substantially overcome.

With this assurance and other assurances we have from others, I feel this legislation is in good shape and I propose to vote for it.

Mr. SAYLOR. Mr. Chairman, I move to strike the requisite number of words.

(Mr. SAYLOR asked and was given permission to revise and extend his remarks.)

Mr. SAYLOR. Mr. Chairman, yesterday during general debate I announced that I would offer a substitute amendment. In view of the fact that the chairman of the full committee and the Committee of the Whole House on the State of the Union adopted the first amendment which I offered, which would delay to a future time and a future Congress the provisions of section 202 of the bill on the Mexican Water Treaty, until a report has been made by the Secretary of the Interior that an augmentation plan to import 2½ million acre-feet of water is feasible, and is then authorized by the Congress. I will not offer my substitute amendment.

Mr. JOHNSON of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to commend the chairman of our full committee, the gentleman from Colorado [Mr. ASPINALL], for the way in which he has handled this particular matter ever since I have been in the Congress, especially during the present session of the 90th Congress. I also want to commend the ranking minority members both of the full committee and the subcommittee for their work in connection with bringing this matter to the floor of the House and the courteous way in which we have all been treated while this matter as been under debate and now during the reading of the bill.

I think this is a very important piece of legislation to all of the basin States. I hope the Congress, when we get back into the House, will adopt this, because we can then say that the Colorado River Basin bill has been adopted by the House of Representatives.

Mr. McCURE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to explain what I intend to do when we return to the House in the way of a motion to recommit. This motion will contain three items directed to two specific points within the bill. One is the question which has been discussed repeatedly during the debate, that is, the difference between a feasibility study and a reconnaissance report. It is our strong feeling that the reconnaissance report is all that should be directed at this time in conformance with the established procedures that have been followed by the committee in recent years and by this House in recent years and recommended by the Bureau of the Budget in the last 2 or 3 years.

The second point goes to the assumption of the Mexican Water Treaty as a national obligation and the implementation of this treaty by providing in section 401 of the bill that the repayment of the construction of works to replace that water would be a nonreimbursable expense.

These two items would fully transfer to the shoulders of the taxpayers of this country the entire burden of replacing in the Colorado River Basin the 1.5 million acre-feet and, under the language of the bill, perhaps as much as 2.5 million acre-feet of water, at the expense of the taxpayers rather than the people who are being benefited by it; that is, the people in the States affected by the Colorado River Basin.

These two amendments are contained in my motion to recommit. I think these are vital to the perfection of this bill, and I think they are sound for the national interest and certainly fair to both basins—of the Colorado River and also the areas represented by my colleagues and myself in the Pacific Northwest.

Mr. HOSMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to discuss the motion to recommit in the framework of the announcement just made by the gentleman from Pennsylvania who stated that his amendment which has been accepted and which puts up to a future Congress at such time as augmentation

works may be authorized, or considered for authorization, the decision of where this treaty burden should go; certainly the motion to recommit to be offered by the gentleman is not timely and is not applicable.

Therefore, Mr. Chairman, I strongly urge that the House vote it down.

(Mr. HOSMER asked and was given permission to revise and extend his remarks.)

Mrs. MAY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise at this time to say I will support the recommittal motion as suggested by my distinguished colleague from Idaho.

As I pointed out yesterday during the general debate on H.R. 3300, title II is completely unnecessary to the authorization or construction, or success of the central Arizona project.

There is no justifiable reason why the Congress should, in this bill, agree to give up the sound practice of taking a look at the reconnaissance survey before authorizing a feasibility study on any project, especially one which would lead to construction of facilities to import to the Southwest millions of acre-feet of water from the major river basins of other regions of the Nation. At this point, no one knows where the water would come from, what the cost would be, or whether such facilities would be necessary. There is no demonstrated urgency, or any justifiable reason why we should direct the Secretary of the Interior to undertake immediate reconnaissance and feasibility studies, contrary to established procedures and law. We should first have an opportunity to know what we are being asked to buy.

Mr. FOLEY. Mr. Chairman, I move to strike the requisite number of words.

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

Mr. FOLEY. Mr. Chairman, I am not going to delay or extend this debate. I take this time for the purpose of asking some questions of the distinguished chairman of the full Committee on Interior and Insular Affairs for the purpose of making legislative history. However, before I do that, I wish to very briefly state my continuing concern and opposition to that section of this bill which provides for the assumption of the Mexican Water Treaty burden as a national obligation. I also object vigorously to section 401 which would make any future expenditures for construction to satisfy this obligation of 1.5 million acre-feet of water nonreimbursable.

And, Mr. Chairman, I also wish to repeat my opposition to section 201(c). I associate myself fully with the comments of the gentlewoman from Washington [Mrs. MAY].

The distinguished chairman of the Committee on Interior and Insular Affairs has assured the House that, although the bill authorizes a feasibility study, he will bring the results of a preliminary reconnaissance study to the House before the feasibility study is undertaken. That is a generous offer on his part; however, it does not remove my

serious reservation concerning the policy of authorizing a feasibility study where we have not had an opportunity to judge or examine the reconnaissance report ahead of time.

The amendment of the gentleman from Pennsylvania [Mr. SAYLOR] may be of great importance, but I must confess that I am uncertain as to its meaning.

I would now like to ask the distinguished chairman of the Committee on Interior and Insular Affairs one or two questions for the purpose of making legislative history with reference to this amendment.

Mr. Chairman, the amendment to section 202, offered by the gentleman from Pennsylvania [Mr. SAYLOR] and adopted by the Committee of the Whole, would have the effect of delaying the operation of any declaration of the Mexican Water Treaty as a national obligation unless and until Congress subsequently authorizes a plan to augment the Colorado River by 2.5 million acre-feet; is that correct?

Mr. ASPINALL. Mr. Chairman, if the gentleman will yield, that is correct.

Mr. FOLEY. Is it also true that the adoption of this amendment would preclude the operation of section 401, which provides that any costs of construction or other costs associated with the assumption of the Mexican Water Treaty shall be nonreimbursable—would this section be inoperative unless Congress subsequently authorizes an augmentation plan of 2.5 million acre-feet?

Mr. ASPINALL. May I answer my colleague from Washington in this manner, by saying that I do not see wherein he arrives at his statement.

Section 401 has nothing particularly to do with section 202, or any provision of section 202. Section 401 simply states that if, later on, there is an authorization to augment the flow of the river, then the augmentation will take place.

In addition, the provisions of section 401 indicate that part which is chargeable to the Mexican Water Treaty will be nonreimbursable, and that part which is chargeable to the users, be they irrigation, municipal or other users, will be chargeable to those users, and this must be taken into consideration in figuring the feasibility of what is proposed, as far as the augmentation of the river is concerned.

Mr. FOLEY. And that consideration of feasibility will be a judgment which will have to be made by a later Congress in its wisdom?

Mr. ASPINALL. That is correct. All these weeks and months, that is what we have been trying to arrive at, so that we would stay with the procedures that we have followed for years as far as reclamation projects are concerned, and there will be no jumping from one to the other of the studies in any order out of the right constructive approach now provided.

Mr. FOLEY. I thank the distinguished gentleman.

Mr. ASPINALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to advise my colleagues once again that this piece of legislation has been studied care-

fully. It is an intricate piece of legislation. One provision, one section depends upon the other. Accordingly, Mr. Chairman, I will have to resist—and I ask my colleagues to vote against the motion to recommit because without these sections there is no guarantee for peace along the river, and that is what we are trying to get more than anything else, as far as this legislation is concerned. And we have so tailored this legislation now, even to a greater extent by the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR], we have so tailored it, that there can be no logical attempt in my opinion to frustrate or to hurt or to endanger the rights of the great Northwest.

Mr. DELLENBACK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not prolong the debate very long, but I want to express on behalf of the people of my State of Oregon our deep concern. We touched on this in general debate yesterday. We understand that the feasibility study called for by this bill will embrace much more than just the possibility of obtaining water for the Southwest through diversion. We are also well aware of the fact that, prior to the time that there has been any determination whether there is really any excess of water in our section of the Nation, there will be a skewing by the way this bill deals with the Mexican Water Treaty, in the direction of feasibility for diversion versus any other possible method of obtaining water. We object as strongly as possible to the setting up of the feasibility study in this bill before the reconnaissance study has been completed, and at the same time we object to the features of this bill determining to a significant degree in advance the conclusions the feasibility study is apt to reach.

There is an unfortunate impression that seems to be present in debate on this bill today, as was true yesterday, that this is merely a quarrel between the Southwest and the Northwest sections of the Nation. In truth, this matter goes far beyond this. This is a matter of concern to the Middle West, it is a matter of concern to the Northeast, and it is a matter of concern to the Southeast, because the ultimate burden of the dollars to be paid out from the Federal Treasury, if they be determined to be nonreimbursable, will not fall upon the Pacific Northwest in disproportionate share. The burden of financing this whole project will fall upon the Northeast, it will fall upon the Middle West, and it will fall upon the other sections of this Nation in direct proportion to the amount of Federal taxes paid by the citizens in those sections of the Nation.

So, Mr. Chairman, in truth this is not just a quarrel between the river basins of the Northwest and the river basins of the Southwest; this goes far beyond that. We object very strongly to this matter of the entire predetermination relative to the nonreimbursable national obligation, so far as the Mexican Water Treaty is concerned.

We urge our colleagues to support this motion to recommit, and after having

made the particular changes that the motion to recommit calls for, then to go ahead and approve the central Arizona project.

Mr. BURTON of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to associate myself with the remarks of our distinguished chairman, the gentleman from Colorado [Mr. ASPINALL] in opposition to the motion to recommit, and in support of the legislation before us.

Our subcommittee and the full committee has labored long and arduously for a number of years in the development of this legislation. This legislation represents a delicate balancing of the interests of the various basin States and the proposed motion to recommit would do serious damage to that balance.

This legislation represents not only an investment in the West but an investment in the entire Nation.

Mr. Chairman, I would urge my colleagues to vote down the motion to recommit and pass the bill as it now stands.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BURTON of California. I yield to the gentleman.

Mr. RHODES of Arizona. Mr. Chairman, I wish to thank the Members of the Committee for the consideration they have given to this bill which is the fruition of 15 years of work in the Congress so far as I am concerned.

I want to say to my good friend from the Pacific Northwest that there is no intent on the part of anyone to take anything that belongs to you. The bill does not do that. There is ample safeguard in the bill to meet the needs of everybody concerned.

I hope the motion to recommit will not be adopted and that the bill will be passed in the form in which it now is.

The CHAIRMAN. The question is on the committee substitute amendment, as amended.

The committee substitute amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union reported that that Committee having had under consideration the bill (H.R. 3300) to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes, pursuant to House Resolution 1162, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

For what purpose does the gentleman from Louisiana [Mr. WAGGONER] rise?

CALL OF THE HOUSE

Mr. WAGGONER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ASPINALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 142]

Baring	Gurney	Moore
Bell	Hagan	Morse, Mass.
Broomfield	Hall	Olsen
Cabell	Halleck	O'Neill, Mass.
Carter	Hanley	Passman
Clark	Hansen, Wash.	Purcell
Collier	Hardy	Resnick
Colmer	Hawkins	Rivers
Conyers	Hébert	Rosenthal
Cowger	Holland	Scheuer
Culver	Howard	Selden
Dawson	Irwin	Stubblefield
Derwinski	Kelly	Taft
Downing	King, N.Y.	Teague, Tex.
Esch	Kuykendall	Tenzer
Fraser	Long, La.	Thompson, Ga.
Frelinghuysen	McMillan	Tuck
Gettys	Mailliard	Wilson,
Griffin	Martin	Charles H.
Gross	Matsunaga	Young

The SPEAKER. On this rollcall 374 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COLORADO RIVER BASIN PROJECT

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee substitute amendment adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. McCLURE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. McCLURE. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. McCLURE moves to recommit the bill, H.R. 3300, to the Committee on Interior and Insular Affairs with instructions to:

(1) On page 52, line 12, delete the word "feasibility" and insert in lieu thereof the word "reconnaissance"; and

(2) On page 52, line 25, strike out the words "constitutes a national obligation which"; and

(3) On page 72, line 4, after the period, strike out the following sentence: "Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of the Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be nonreimbursable."

Mr. ASPINALL. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. PELLY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. FOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 1162, the Committee on Interior and Insular Affairs is discharged from the further consideration of the bill S. 1004.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. ASPINALL

Mr. ASPINALL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Motion offered by Mr. ASPINALL: Strike out all after the enacting clause of the bill S. 1004 and insert in lieu thereof the text of H.R. 3300, as passed, as follows:

"TITLE I—COLORADO RIVER BASIN PROJECT: OBJECTIVES

"SEC. 101. That this Act may be cited as the 'Colorado River Basin Project Act'.

"SEC. 102. (a) It is the object of this Act to provide a program for the further comprehensive development of the water resources of the Colorado River Basin and for the provision of additional and adequate water supplies for use in the upper as well as in the lower Colorado River Basin. This program is declared to be for the purposes, among others, of regulating the flow of the Colorado River; controlling floods; improving navigation; providing for the storage and delivery of the waters of the Colorado River for reclamation of lands, including supplemental water supplies, and for municipal, industrial, and other beneficial purposes; improving water quality; providing for basic public outdoor recreation facilities; improving conditions for fish and wildlife, and the generation and sale of electrical power as an incident of the foregoing purposes.

"(b) It is the policy of the Congress that the Secretary of the Interior (hereinafter referred to as the 'Secretary') shall continue to develop, after consultation with affected States and appropriate Federal agencies, a regional water plan, consistent with the provisions of this Act and with future authorizations, to serve as the framework under which projects in the Colorado River Basin may be coordinated and constructed with proper timing to the end that an adequate supply of water may be made available for such projects, whether heretofore, herein, or hereafter authorized.

"TITLE II—INVESTIGATIONS AND PLANNING

"SEC. 201. (a) The Water Resources Council, acting in accordance with the procedure prescribed in section 103 of the Water Resources Planning Act (79 Stat. 244), shall within one year following the effective date of this Act establish principles, standards, and procedures for the program of investigations and submittal of plans and reports authorized by this title. The Secretary, in conformity with the principles, standards, and procedures so established, is authorized and directed to—

"(1) prepare estimates of the long-range water supply available for consumptive use in the Colorado River Basin, of current water requirements therein, and of the rate of

growth of water requirements therein to at least the year 2030;

"(2) investigate and recommend sources and means of supplying water to meet the current and anticipated water requirements of the Colorado River Basin, either directly or by exchange, including reductions in losses, importations from sources outside the natural drainage basin of the Colorado River system, desalination, weather modification, and other means: *Provided*, That the Secretary shall not, under the authority of this clause or anything in this Act contained, make any recommendation for importing water into the Colorado River system from other river basins without the approval of those States which will be affected by such exportation, said approval to be obtained in a manner consistent with the procedure and criteria established by section 1 of the Flood Control Act of 1944 (58 Stat. 887);

"(3) undertake investigations, in cooperation with other concerned agencies, of means for maintaining an adequate water quality throughout the Colorado River Basin;

"(4) investigate means of providing for prudent water conservation practices to permit maximum beneficial utilization of available water supplies in the Colorado River Basin;

"(5) investigate and prepare estimates of the long-range water supply in States and areas from which water could be imported into the Colorado River system, together with estimates and plans to satisfy the probable ultimate requirements for water within such States and areas of origin for all purposes, including but not limited to consumptive use, navigation, river regulation, power, enhancement of fishery resources, pollution control, and disposal of wastes to the ocean, and estimates of the quantities of water, if any, that will be available in excess of such requirements.

"(b) The Secretary is authorized and directed to prepare reconnaissance reports covering the matters set out in subsection (a) of this section, and such reports shall be submitted to the President and to the Congress not later than June 30, 1973, and, as revised and updated, every five years thereafter. For the purpose of providing for the repayment of the reimbursable costs of any projects covered by such reports, the Secretary shall take into account such assistance as may be available to the States of the Upper Division from the Upper Colorado from the Upper Colorado River Basin Fund (70 Stat. 107), and to the States of the Lower Division from the development fund established by section 403 of this Act.

"(c) On the basis of the investigations and studies performed pursuant to this section, and subject to the provisions of subsection (a) (2) and section 203 hereof, the Secretary shall prepare of feasibility report on a plan which shows the most economical means of augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet annually. The recommended plan may include the construction of works and facilities by such successive stages as are estimated to be necessary to alleviate critical water shortages as they occur. The report prepared pursuant to this subsection, along with comments of the affected States and appropriate Federal agencies thereon, shall be submitted to the Congress on or before January 1, 1975.

"SEC. 202. The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of this Act and authorized by the Congress. Accordingly, the States of the Upper Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which

may have been imposed upon them by article III(c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican Water Treaty together with any losses of water associated with the performance of that treaty: *Provided*, That the satisfaction of the requirements of the Mexican Water Treaty (Treaty Series 994, 59 Stat. 1219), shall be from the waters of the Colorado River pursuant to the treaties, laws, and compacts presently relating thereto, until such time as a feasibility plan showing the most economical means of augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet shall be authorized by the Congress.

"Sec. 203. (a) In the event that the Secretary shall, pursuant to section 201(a)(2) and 201(c), plan works to import water into the Colorado River system from sources outside the natural drainage areas of the system, he shall make provision for adequate and equitable protection of the interests of the States and areas of origin, including assistance from funds specified in section 201(b) of this Act, to the end that water supplies may be available for use in such States and areas of origin adequate to satisfy their ultimate requirements at prices to users not adversely affected by the exportation of water to the Colorado River system.

"(b) All requirements, present or future, for water within any State lying wholly or in part within the drainage area of any river basin from which water is exported by works planned pursuant to this Act shall have a priority of right in perpetuity to the use of the waters of that river basin, for all purposes, as against the uses of the water delivered by means of such exportation works, unless otherwise provided by interstate agreement.

"Sec. 204. The Secretary shall submit annually to the President and the Congress reports covering progress on the investigations and reports authorized by this title.

"Sec. 205. There are hereby authorized to be appropriated such sums as are required to carry out the purposes of this title.

"TITLE III—AUTHORIZED UNITS: PROTECTION OF EXISTING USES

"Sec. 301. (a) For the purposes of furnishing irrigation water and municipal water supplies to the water-deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary shall construct, operate, and maintain the Central Arizona Project, consisting of the following principal works: (1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system shall have a capacity of not to exceed two thousand five hundred cubic feet per second; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so operated as not to prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in *United States against Gila Valley Irrigation District and others* (Globe Equity Numbered 59); (4) Hooker Dam and Reservoir or suitable alternative, which shall be constructed in such a manner as to give effect to the provisions of subsection (f) of section 304; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueduct; (8) related canals, reg-

ulating facilities, hydroelectric powerplants, and electrical transmission facilities required for the operation of said principal works; (9) related water distribution and drainage works; and (10) appurtenant works.

"(b) Article II(B)(3) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient main stream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversions from the main stream for the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use by holders of present perfected rights, by other users in the State of California served under existing contracts with the United States by diversion works heretofore constructed, and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of mainstream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater than would have been imposed in the absence of this subsection 301(b). This subsection shall not affect the relative priorities, among themselves, of water users in Arizona, Nevada, and California which are senior to diversions for the Central Arizona Project, or amend any provisions of said decree.

"(c) The limitation stated in subsection (b) of this section shall not apply so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada.

"Sec. 302. (a) The Secretary shall designate the lands of the Salt River Pima-Maricopa Indian Community, Arizona, and the Fort McDowell-Apache Indian Community, Arizona, or interests therein, and any allotted lands or interests therein within said communities which he determines are necessary for use and occupancy by the United States for the construction, operation, and maintenance of Orme Dam and Reservoir, or alternative. The Secretary shall offer to pay the fair market value of the lands and interests designated, inclusive of improvements. In addition, the Secretary shall offer to pay toward the cost of relocating or replacing such improvements not to exceed \$500,000 in the aggregate, and the amount offered for the actual relocation or replacement of a residence shall not exceed the difference between the fair market value of the residence and \$8,000. Each community and each affected allottee shall have six months in which to accept or reject the Secretary's offer. If the Secretary's offer is rejected, the United States may proceed to acquire the property interests involved through eminent domain proceedings in the United States District Court for the District of Arizona under 40 U.S.C., sections 257 and 258a. Upon acceptance in writing of the Secretary's offer, or upon the filing of a declaration of taking in eminent domain proceedings, title to the lands or interests involved, and the right to possession thereof, shall vest in the United States. Upon a determination by the Secretary that all or any part of such lands or interests are no longer necessary for the purpose for which acquired, title to such lands or interests shall be restored to the appropriate community.

"(b) Title to any land or easement acquired pursuant to this section shall be subject to the right of the former owner to use or lease the land for purposes not inconsis-

tent with the construction, operation, and maintenance of the project, as determined by, and under terms and conditions prescribed by, the Secretary. Such right shall include the right to extract and dispose of minerals. The determination of fair market value under subsection (a) shall reflect the right to extract and dispose of minerals but not the other uses permitted by this subsection.

"(c) In view of the fact that a substantial portion of the lands of the Fort McDowell Mohave-Apache Indian Community will be required for Orme Dam and Reservoir, or alternative, the Secretary shall, in addition to the compensation provided for in subsection (a) of this section, designate and add to the Fort McDowell Indian Reservation twenty-five hundred acres of suitable lands in the vicinity of the reservation that are under the jurisdiction of the Department of the Interior in township 4 north, range 7 east; township 5 north, range 7 east; and township 3 north, range 7 east, Gila and Salt River base meridian, Arizona. Title to lands so added to the reservation shall be held by the United States in trust for the Fort McDowell Mohave-Apache Indian Community.

"(d) Each community shall have a right, in accordance with plans approved by the Secretary, to develop and operate recreational facilities along the part of the shoreline of the Orme Reservoir located on or adjacent to its reservation, including land added to the Fort McDowell Reservation as provided in subsection (b) of this section, subject to rules and regulations prescribed by the Secretary governing the recreation development of the reservoir. Recreation development of the entire reservoir and federally owned lands under the jurisdiction of the Secretary adjacent thereto shall be in accordance with a master recreation plan approved by the Secretary. Each community and the members thereof shall have non-exclusive personal rights to hunt and fish on the reservoir, to the same extent they are now authorized to hunt and fish, without charge, but shall have no right to exclude others from the reservoir except by control of access through their reservations, or any right to require payments by the public except for the use of community lands or facilities.

"(e) All funds paid pursuant to this section, and any per capita distribution thereof, shall be exempt from all forms of State and Federal income taxes.

"Sec. 303. (a) The Secretary is authorized and directed to continue to a conclusion appropriate engineering and economic studies and to recommend the most feasible plan for the construction and operation of hydroelectric generating and transmission facilities, the purchase of electrical energy, the purchase of entitlement to electrical plant capacity, or any combination thereof including participation, operation, or construction by non-Federal entities, for the purpose of supplying the power requirements of the Central Arizona Project and augmenting the Lower Colorado River Basin Fund: *Provided*, That nothing in this section or in this Act contained shall be construed to authorize the study or construction of any dams on the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam.

"(b) If included as a part of the recommended plan, the Secretary may enter into an agreement with non-Federal interests proposing to construct a thermal generating powerplant whereby the United States shall acquire the right to such portion of the capacity of such plant, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the operation of the Central Arizona Project. When not required for the Central Arizona Project, the power and energy acquired by such agreement may be disposed of intermittently by the Secretary for other purposes at such prices as

he may determine, including its marketing in conjunction with the sale of power and energy from Federal powerplants in the Colorado River system so as to produce the greatest practical amount of power and energy that can be sold at firm power and energy rates. The agreement shall provide, among other things, that—

"(1) the United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplant, and of any switchyards and transmission facilities serving the United States, as is represented by the ratios of the respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of preparation of designs and specifications, in such installments as will facilitate a timely construction schedule, but no funds other than for preconstruction activities shall be made available by the Secretary until he determines that adequate contracts have been entered into between all the affected parties covering land, water, fuel supplies, power (its availability and use), rights-of-way, transmission facilities and all other necessary matters for the thermal generating powerplant;

"(2) annual operation and maintenance costs, including provisions for depreciation (except as to depreciation on the pro rata share of the construction cost borne by the United States in accordance with the foregoing clause (1)), shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing clause (1);

"(3) the United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplant and appurtenances;

"(4) costs to be borne by the United States under clauses (1) and (2) shall not include (a) interest and interest during construction, (b) financing charges, (c) franchise fees, and (d) such other costs as shall be specified in the agreement.

"(c) No later than one year from the effective date of this Act, the Secretary shall submit his recommended plan to the Congress. Except as authorized by subsection (b) of this section, such plan shall not become effective until approved by the Congress.

"(d) If the thermal generating plant referred to in subsection (b) of this section is located in Arizona, and if it is served by water diverted from the drainage area of the Colorado River system above Lee Ferry, other provisions of existing law to the contrary notwithstanding, such consumptive use of water shall be a part of the fifty thousand acre-feet per annum apportioned to the State of Arizona by article III(a) of the Upper Colorado River Basin Compact (63 Stat. 31).

"Sec. 304. (a) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges and, with the approval of the Secretary, State-administered wildlife management areas.

"(b) (1) Irrigation and municipal and industrial water supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other arrangements whereby each such organization makes water from

the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval, and the United States shall, if the Secretary determines such action is desirable to facilitate carrying out the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this clause (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

"(2) Any obligation assumed pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9(e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(e)) may be on the basis of delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes.

"(3) Contracts relating to municipal and industrial water supply under the Central Arizona Project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

"(c) Each contract under which water is provided under the Central Arizona Project shall require that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings adequate in his judgment to prevent excessive conveyance losses; and (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the service area of a contractor receiving water from the Central Arizona Project for any use outside said contractor's service area unless the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required. Such contracts shall be subordinate at all times to the satisfaction of all existing contracts between the Secretary and users in Arizona heretofore made pursuant to the Boulder Canyon Project Act (45 Stat. 1057).

"(d) The Secretary may require in any contract under which water is provided from the Central Arizona Project that the Contractor agree to accept mainstream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (f) of this section: Provided, That

such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

"(e) In times of shortage or reduction of mainstream Colorado River water for the Central Arizona Project, as determined by the Secretary, users which have yielded water from other sources in exchange for main stream water supplied by that project shall have a first priority to receive mainstream water, as against other users supplied by that project which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

"(f) (1) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until, and shall continue only so long as, delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversions from the Gila River, its tributaries and underground water sources. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

"(2) The Secretary shall further offer to contract with water users in New Mexico for water from the Gila River, its tributaries, and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of an additional thirty thousand acre-feet, including reservoir evaporation. Such further increases in consumptive use shall not begin until, and shall continue only so long as, works capable of augmenting the water supply of the Colorado River system have been completed and water sufficiently in excess of two million eight hundred thousand acre-feet per annum is available from the main stream of the Colorado River for consumptive use in Arizona to provide water for the exchanges herein authorized and provided. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

"(3) All additional consumptive uses provided for in clauses (1) and (2) of this subsection shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries, and underground water sources and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

"Sec. 305. To the extent that the flow of the main stream of the Colorado River is augmented in order to make sufficient water available for release, as determined by the Secretary pursuant to article II(b) (1) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340), to satisfy annual consumptive use of two million eight hundred thousand acre-feet in Arizona, four million four hundred thousand acre-feet in California, and three hundred thousand acre-feet in Nevada, re-

spectively, the Secretary shall make such water available to users of main-stream water in these States at the same costs (to the extent that such costs can be made comparable through the nonreimbursable allocation to the replenishment of the deficiencies occasioned by satisfaction of the Mexican Treaty burden as herein provided and financial assistance from the development fund established by section 403 of this Act) and on the same terms as would be applicable if main-stream water were available for release in the quantities required to supply such consumptive use.

"Sec. 306. The Secretary shall undertake programs for water salvage and ground water recovery along and adjacent to the main stream of the Colorado River. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary.

"Sec. 307. The Dixie Project, heretofore authorized in the State of Utah, is hereby reauthorized for construction at the site determined feasible by the Secretary, and the Secretary shall integrate such project into the repayment arrangement and participation in the Lower Colorado River Basin Development Fund established by title IV of this Act consistent with the provisions of the Act: *Provided*, That section 8 of Public Law 88-565 (78 Stat. 848) is hereby amended by deleting the figure '\$42,700,000' and inserting in lieu thereof the figure '\$58,000,000'.

"Sec. 308. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the project works authorized pursuant to this title shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213), except as provided in section 302 of this Act.

"Sec. 309. (a) There is hereby authorized to be appropriated for construction of the Central Arizona Project, including prepayment for power generation and transmission facilities but exclusive of distribution and drainage facilities for non-Indian lands, \$779,000,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved here and, in addition thereto, such sums as may be required for operation and maintenance of the project.

"(b) There is also authorized to be appropriated \$100,000,000 for construction of distribution and drainage facilities for non-Indian lands. Notwithstanding the provisions of section 403 of this Act, neither appropriations made pursuant to the authorization contained in this subsection (b) nor revenues collected in connection with the operation of such facilities shall be credited to the Lower Colorado River Basin Development Fund and payments shall not be made from that fund to the general fund of the Treasury to return any part of the costs of construction, operation, and maintenance of such facilities.

"TITLE IV—LOWER COLORADO RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS: CONTRACTS

"Sec. 401. Upon completion of each lower basin unit of the project herein or hereafter authorized, or separate feature thereof, the Secretary shall allocate the total costs of constructing said unit or features to (1) commercial power, (2) irrigation, (3) municipal and industrial water supply, (4) flood control, (5) navigation, (6) water quality control, (7) recreation, (8) fish and wildlife, (9) the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by performance of the Water Treaty of 1944 with the United Mexican States (Treaty Series

994), and (10) any other purposes authorized under the Federal reclamation laws. Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be nonreimbursable. The repayment of costs allocated to recreation and fish and wildlife enhancement shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213): *Provided*, That all of the separable and joint costs allocated to recreation and fish and wildlife enhancement as a part of the Dixie project, Utah, shall be nonreimbursable. Costs allocated to nonreimbursable purposes shall be nonreturnable under the provisions of this Act.

"Sec. 402. The Secretary shall determine the repayment capability of Indian lands within, under, or served by any unit of the project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water use) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 464), and such costs that are beyond repayment capability of such lands shall be nonreimbursable.

Sec. 403. (a) There is hereby established a separate fund in the Treasury of the United States to be known as the Lower Colorado River Basin Development Fund (hereinafter called the 'development fund'), which shall remain available until expended as hereinafter provided.

"(b) All appropriations made for the purpose of carrying out the provisions of title III of this Act shall be credited to the development fund as advances from the general fund of the Treasury, and shall be available for such purposes.

"(c) There shall also be credited to the development fund—

"(1) All revenues collected in connection with the operation of facilities authorized in title III in furtherance of the purposes of this Act (except entrance, admission, and other recreation fees or charges and proceeds received from recreation concessionaires), including revenues which, after completion of payout of the Central Arizona Project as required herein are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said project; and

"(2) any Federal revenues from the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of the said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of those projects: *Provided, however*, That the Secretary is authorized and directed to continue the in-lieu-of-tax payments to the States of Arizona and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon project; and

"(3) any Federal revenues from that portion of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona which, after completion of repayment requirements of the said part of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said portion of the Pacific Northwest-Pacific Southwest intertie and related facilities.

"(d) All moneys collected and credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of sub-

section (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section shall be available, without further appropriation for—

"(1) defraying the costs of operation, maintenance, and replacements of, and emergency expenditures for, all facilities of the projects, within such separate limitations as may be included in annual appropriation Acts; and

"(2) payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 304(f) of this Act.

"(e) Revenues credited to the development fund shall not be available for construction of the works comprised within any unit of the project herein or hereafter authorized except upon appropriation by the Congress.

"(f) Moneys credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section in excess of the amount necessary to meet the requirements of clauses (1), and (2) of subsection (d) of this section shall be paid annually to the general fund of the Treasury to return—

"(1) the costs of each unit of the projects or separable feature thereof authorized pursuant to title III of this Act, which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act within a period not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law: *Provided*, That return of the cost, if any, required by section 307 shall not be made until after the payout period of the Central Arizona Project as authorized herein;

"(2) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance with the provisions of subsection (h) of this section, and interest due shall be a first charge.

"(g) All revenues credited to the development fund in accordance with clause (c) (2) of this section (excluding only those revenues derived from the sale of power and energy for use in Arizona during the payout period of the Central Arizona Project as authorized herein) and such other revenues as remain in the development fund after making the payments required by subsections (d) and (f) of this section shall be available (1) to make payments, if any, as required by sections 307 and 502 of this Act, and (2), upon appropriation by the Congress, to assist in the repayment of reimbursable costs incurred in connection with units hereafter constructed to provide for the augmentation of the water supplies of the Colorado River for use below Lee Ferry as may be authorized as a result of the investigations and recommendations made pursuant to clause 201(a) (2) and subsection 203 (a) of this Act.

"(h) The interest rate applicable to those portions of the reimbursable costs of each unit of the project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such unit, on the basis

of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

"(i) Business-type budgets shall be submitted to the Congress annually for all operations financed by the development fund.

"SEC. 404. On January 1 of each year the Secretary shall report to the Congress, beginning with the fiscal year ending June 30, 1969, upon the status of the revenues from and the cost of constructing, operating, and maintaining each lower basin unit of the project for the preceding fiscal year. The report of the Secretary shall be prepared to reflect accurately the Federal investment allocated at that time to power, to irrigation, and to other purposes, the progress of return and repayment thereon, and the estimated rate of progress, year by year, in accomplishing full repayment.

"TITLE V—UPPER COLORADO RIVER BASIN AUTHORIZATION AND REIMBURSEMENTS

"SEC. 501. (a) In order to provide for the construction, operation, and maintenance of the Animas-La Plata Federal reclamation project, Colorado-New Mexico; the Dolores, Dallas Creek, West Divide, and San Miguel Federal reclamation projects, Colorado; and the Central Utah project (Uintah unit), Utah, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), and to provide for the completion of planning reports on other participating projects, clause (2) of section 1 of said Act is hereby further amended by (i) inserting the words 'and the Uintah unit' after the word 'phase' within the parentheses following 'Central Utah', (ii) deleting the words 'Pine River Extension' and inserting in lieu thereof the words 'Animas-La Plata, Dolores, Dallas Creek, West Divide, San Miguel', (iii) adding after the words 'Smith Fork:' the proviso 'Provided, That consideration of the Uintah unit of the Central Utah project shall not be undertaken by the Secretary until he has completed a feasibility report on such unit and submitted such report to the Congress along with his certification that, in his judgment, the benefits of such unit or segment will exceed the costs and that such unit is physically and financially feasible'. Section 2 of said Act is hereby further amended by (i) deleting the words 'Parshall, Troublesome, Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers Extension, Animas-La Plata', and inserting after the words 'Yellow Jacket' the words 'Basalt, Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomichi Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units)'; (ii) by inserting after the word 'Sublette' the words '(including a diversion of water from the Green River to the North Platte River Basin in Wyoming), Ute Indian unit of the Central Utah Project, San Juan County (Utah), Price River, Grand County (Utah), Gray Canyon, and Juniper (Utah)'; and (iii) changing the period after 'projects' to a colon and adding the following proviso: 'Provided, That the planning report for the Ute Indian unit of the Central Utah participating project shall be completed on or before December 31, 1974, to enable the United States of America to meet the commitments heretofore made to the Ute Indian Tribe of the Uintah and Ouray Indian Reservation under the agreement dated September 20, 1965 (Contract Numbered 14-06-W-194)'. The amount which section 12 of said Act authorizes to be appropriated is hereby further increased by the sum of \$392,000,000, plus or minus such amounts, if any, as may be required, by reason of

changes in construction costs as indicated by engineering cost indices applicable to the type of construction involved. This additional sum shall be available solely for the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel projects herein authorized.

"(b) The Secretary is directed to proceed as nearly as practicable with the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel participating Federal reclamation projects concurrently with the construction of the Central Arizona Project, to the end that such projects shall be completed not later than the date of the first delivery of water from said Central Arizona Project: *Provided*, That an appropriate repayment contract for each of said participating projects shall have been executed as provided in section 4 of the Colorado River Storage Project Act (70 Stat. 107) before construction shall start on that particular project.

"(c) The Animas-La Plata Federal reclamation project shall be constructed and operated in substantial accordance with the engineering plans set out in the report of the Secretary transmitted to the Congress on May 4, 1966, and printed as House Document 436, Eighty-ninth Congress: *Provided*, That construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

"ANIMAS-LA PLATA PROJECT COMPACT

"The State of Colorado and the State of New Mexico, in order to implement the operation of the Animas-La Plata Federal Reclamation Project, Colorado-New Mexico, a proposed participating project under the Colorado River Storage Project Act (70 Stat. 105), and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and have agreed upon the following articles:

"ARTICLE I

"A. The right to store and divert water in Colorado and New Mexico from the La Plata and Animas River systems, including return flow to the La Plata River from Animas River diversions, for uses in New Mexico under the Animas-La Plata Federal Reclamation Project shall be valid and of equal priority with those rights granted by decree of the Colorado state courts for the uses of water in Colorado for that project, providing such uses in New Mexico are within the allocation of water made to that state by articles III and XIV of the Upper Colorado River Basin Compact (63 Stat. 31).

"B. The restrictions of the last sentence of Section (a) of Article IX of the Upper Colorado River Basin Compact shall not be construed to vitiate paragraph A of this article.

"ARTICLE II

"This Compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States.

"(d) The Secretary shall, for the Animas-La Plata, Dolores, Dallas Creek, San Miguel, West Divide, and Seedskadee participating projects of the Colorado River storage project, establish the nonexcess irrigable acreage for which any single ownership may receive project water at one hundred and sixty acres of class 1 land or the equivalent thereof, as determined by the Secretary, in other land classes.

"(e) In the diversion and storage of water for any project or any parts thereof constructed under the authority of this Act or the Colorado River Storage Project Act within and for the benefit of the State of Colorado only, the Secretary is directed to comply with the constitution and statutes of the State of Colorado relating to priority of

appropriation; with State and Federal court decrees entered pursuant thereto; and with operating principles, if any, adopted by the Secretary and approved by the State of Colorado.

"(f) The words 'any western slope appropriations' contained in paragraph (i) of that section of Senate Document Numbered 80, Seventy-fifth Congress, first session, entitled 'Manner of Operation of Project Facilities and Auxiliary Features', shall mean and refer to the appropriation heretofore made for the storage of water in Green Mountain Reservoir, a unit of the Colorado-Big Thompson Federal reclamation project, Colorado; and the Secretary is directed to act in accordance with such meaning and reference. It is the sense of Congress that this directive defines and observes the purpose of said paragraph (i), and does not in any way affect or alter any rights or obligations arising under said Senate Document Numbered 80 or under the laws of the State of Colorado.

"SEC. 502. The Upper Colorado River Basin Fund established under section 5 of the Act of April 11, 1956 (70 Stat. 107), shall be reimbursed from the Colorado River Development Fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 755) for the money expended heretofore or hereafter from the Upper Colorado River Basin Fund to meet deficiencies in generation at Hoover Dam during the filling period of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose, \$500,000 for each year of operation of Hoover Dam and powerplant, commencing with the enactment of this Act, shall be transferred from the Colorado River Development Fund to the Upper Colorado River Basin Fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin Fund from the Lower Colorado River Basin Development Fund, as provided in subsection (g) of section 403.

"TITLE VI—GENERAL PROVISIONS: DEFINITIONS: CONDITIONS

"SEC. 601. (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994), the decree entered by the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774) or the Colorado River Storage Project Act (70 Stat. 1053).

"(b) The Secretary is directed to—

"(1) make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1970. Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and the Governors of each State signatory to the Colorado River Compact;

"(2) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River Compact.

"(c) All Federal officers and agencies are directed to comply with the applicable pro-

visions of this Act, and of the laws, treaty, compacts, and decree referred to in subsection (a) of this section, in the storage and release of water from all reservoirs and in the operation and maintenance of all facilities in the Colorado River system under the jurisdiction and supervision of the Secretary, and in the operation and maintenance of all works which may be authorized hereafter for the augmentation of the water supply of the Colorado River system. In the event of failure of any such officer or agency to so comply, any affected State may maintain an action to enforce the provisions of this section in the Supreme Court of the United States and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

"SEC. 602. (a) In order to fully comply with and carry out the provisions of the Colorado River Compact, the Upper Colorado River Basin Compact, and the Mexican Water Treaty, the Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River Storage Project Act, the Boulder Canyon Project Act, and the Boulder Canyon Project Adjustment Act. To effect in part the purposes expressed in this paragraph, the criteria shall make provision for the storage of water in storage units of the Colorado River Storage Project and releases of water from Lake Powell in the following listed order of priority:

"(1) Releases to supply one-half the deficiency described in article III(c) of the Colorado River Compact, if any such deficiency exists and is chargeable to the States of the Upper Division, but in any event such releases, if any, shall not be required in any year that the Secretary makes the determination and issues the proclamation specified in section 202 of this Act.

"(2) Releases to comply with article III(d) of the Colorado River Compact, less such quantities of water delivered into the Colorado River below Lee Ferry to the credit of the States of the Upper Division from other sources.

"(3) Storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three Lower Division States and taking into consideration all relevant factors (including, but not limited to, historic streamflows, the most critical period of record, and probabilities of water supply), shall find this to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River Compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the Lower Division to the uses specified in article III(e) of the Colorado River Compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

"(b) Not later than January 1, 1970, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the Governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than July 1, 1970, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1972, and yearly thereafter, the Secretary shall transmit to the

Congress and to the Governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the Governors of the seven Colorado River Basin States and appropriate consultation with such State representatives as each Governor may designate.

"(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

"SEC. 603. (a) Rights of the upper basin to the consumptive use of water available to that basin from the Colorado River system under the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin.

"(b) Nothing in this Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission.

"SEC. 604. Except as otherwise provided in this Act, in constructing, operating, and maintaining the units of the projects herein and hereafter authorized, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

"SEC. 605. Part I of the Federal Power Act (41 Stat. 1963; 16 U.S.C. 791a-823) shall not be applicable to the reaches of the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam until and unless otherwise provided by Congress.

"SEC. 606. As used in this Act, (a) all terms which are defined in the Colorado River Compact shall have the meanings therein defined;

"(b) 'Main stream' means the main stream of the Colorado River downstream from Lee Ferry, within the United States, including the reservoirs thereon;

"(c) 'User' or 'water user' in relation to main-stream water in the lower basin means the United States or any person or legal entity entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340) to use main-stream water when available thereunder;

"(d) 'Active storage' means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works;

"(e) 'Colorado River Basin States' means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming; and

"(f) 'Augment' or 'augmentation', when used herein with reference to water, means to increase the supply of the Colorado River or its tributaries by the introduction of water into the Colorado River system, which is in addition to the natural supply of the system."

Amend the title so as to read: "An Act to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes."

The SPEAKER. The question is on the motion offered by the gentleman from Colorado [Mr. ASPINALL].

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Two hundred and twenty-seven Members are present, a quorum.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MR. ASPINALL

Mr. ASPINALL. Mr. Speaker, I offer an amendment to the title of the Senate bill.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: Amend the title of S. 1004 to read: "An Act to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes."

The title amendment was agreed to.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3300) was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CORRECTION OF ROLL CALL

Mr. BIESTER. Mr. Speaker, on rollcall No. 139, on May 15, a quorum call, I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 11308, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES OF 1965

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11308) to amend the National Foundation on the Arts and the Humanities of 1965, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none; and appoints the following conferees: Messrs. PERKINS, THOMPSON of New Jersey, CAREY, SCHEUER, BRADENAS, AYRES, GOODELL, ASHBROOK, and REID of New York.

PROGRAM FOR THE BALANCE OF THIS WEEK AND THE WEEK OF MONDAY, MAY 20, 1968

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

Mr. ARENDS. Mr. Speaker, I take this time in order to ask the majority leader to kindly advise us as to whether or not there is any more program for this week and the program for the following week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Oklahoma.

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
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(NOT TO BE QUOTED OR CITED)

Issued July 16, 1968
For actions of July 15, 1968
90th-2nd; No. 121

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HIGHLIGHTS: Senate agreed to conference report on Public Law 480. House debated Redwood National Park bill. Sen. Javits submitted school lunch and breakfast bills as amendment to education bill.

SENATE

1. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 17903, the public works and atomic energy appropriation bill, 1969 (S. Rept. 1405). p. S8576

2. EDUCATION. Began consideration of H. R. 18366, to amend the Vocational Education Act of 1963 (pp. S8682-713, S8719-23, S8729-32). Agreed to a motion to substitute the language of S. 3770, a companion bill (p. S8682). Sen. Javits submitted the school lunch and school breakfast bills as an amendment (pp. S8704-13). By unanimous-consent it was agreed that at conclusion of routine morning business on Wed., July 17, debate will be equally divided between Sens. Javits and Ellender (p. S8730).
Passed, 83-0, with amendments S. 3769, the proposed Higher Education Act Amendments of 1968. pp. S8637-82
3. PUBLIC LAW 480; FOOD FOR FREEDOM. Agreed to the conference report on S. 2986, to extend the Agricultural Trade Development and Assistance Act (p. S8637). For provisions of the conference report see Digest 120. This bill will now be sent to the President.
4. RECLAMATION. Conferees were appointed on S. 1004, to authorize the construction, operation, and maintenance of the Colorado River Basin project (pp. S8724-29). House conferees have not been appointed.
5. OCEANOGRAPHY. H. R. 13781, the sea grant college proposal, was referred to the Labor and Public Welfare Committee and the committee instructed to report the bill to the Senate before the close of business on Wed., July 17. p. S8719
6. TRADE FAIRS. Received from Commerce a report of activities under the Mobile Trade Fairs Act, for the fiscal year 1967. p. S8575
7. FISHERIES. Received from Interior a proposed bill to extend the provisions of the Commercial Fisheries Research and Development Act of 1964; to the Commerce Committee. p. S8576
8. MANPOWER. Sen. Murphy submitted an amendment to S. 2938 which would authorize a 2-year program of grants to the States, with the Federal Government providing not to exceed 75 percent of the cost of the State's supplement efforts and activities, under the Manpower Development and Training Act of 1962. p. S8608-1
9. EMPLOYMENT. Sen. Javits reported that New York State has increased maximum weekly workman's compensation and disability benefits effective July 1, 1968, in support of his amendment to the occupational health and safety bill. pp. S8613-4
10. RURAL MAIL. Sen. Hollings stated that the post office "should be exempt from the employment limitation in the new tax law" and pointed out that not many Senators want to see rural mail service decimated. p. S8618
11. HUNGER. Sen. Proxmire asked for immediate ratification of the Human Rights Conventions so that the U. S. can formally go on record concerning the international guarantees of human rights to aid the starving in Biafra. p. S8420
12. CONSERVATION. Sen. Metcalf praised the President's signing into law the bill to provide new sources of revenue for the land and water conservation fund. p. S8636

percent of these at a cost of \$10 per student would cost \$3,680,000. Newly established homemakers especially need training in managing income, providing food, housing, and child care.

Many States have been successful in reaching women, who could not attend other types of classes, through programs set up in public housing units. In these programs, trained home economists provide instruction in feeding the family, family relationships, child care and guidance, clothing the family, budgeting, home improvement, community leadership, and citizenship responsibilities. There are in 1968 a total of 11,044 housing projects with a total of 7,100,000 dwelling units in the United States. If one full-time teacher were employed in each project it would take 11,044 teachers and cost about \$110,440,000.

We also need to provide instruction for parents of students with special needs, for migrant workers, for the elderly—both in nursing homes and in their own homes—and for homemakers leaving mental institutions and penal institutions.

In addition, there is a need to expand resources to improve supervision, teacher education, and development of instructional materials in home economics. Special attention should be given to the training of teachers who will work with the special groups. Conferences, workshops, and institutes are needed to bring teachers up to date and to provide in-service training.

It is increasingly clear that what happens to a young person in the home has as much influence as what happens to him in schools. Thus we need to provide training in homemaking and family life. The more we are able to do in the regular school program, the less we will have to do in the future in remedial programs.

In the entire educational field we are just beginning to realize the need and responsibility for providing continuing education for adults. What we have done to date is only a very small part of what needs to be done. This is especially true in regard to home making and family life education. No segment of education offers so much promise of providing a vital and needed service to this generation and especially to succeeding generations.

We have proven by programs conducted in my State and in every part of the country that we can do the job that needs to be done. We have seen that everywhere programs are established, the demand for them is far greater than we are able to provide. But if we are to meet these needs, we must provide the basic framework now for these programs and we must provide the resources to support them. The States have been providing the major support of homemaking programs but need additional Federal support both in funds and program activities.

ORDER FOR ADJOURNMENT UNTIL WEDNESDAY, JULY 17, 1968

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stands in

adjournment until 12 noon on Wednesday, July 17, 1968.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR SECRETARY OF THE SENATE TO RECEIVE MES- SAGES AND SIGN BILLS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that during the adjournment of the Senate following today's session, the Secretary of the Senate be authorized to receive messages from the House of Representatives that the Vice President be authorized to sign duly enrolled bills and joint resolutions, and that committees be authorized to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEFENSE PROCUREMENT AUTHORI- ZATION BILL, 1969

Mr. STENNIS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3293.

The PRESIDING OFFICER laid before the Senate amendment of the House of Representatives to the bill (S. 3293) to authorize appropriations during the fiscal year 1969 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes, which was, strike out all after the enacting clause, and insert:

TITLE I—PROCUREMENT

SEC. 101. Funds are hereby authorized to be appropriated during the fiscal year 1969 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, \$735,447,000; for the Navy and Marine Corps, \$2,556,988,000, of which \$241,800,000 is authorized to be appropriated only for F-4J aircraft and \$162,800,000 is authorized to be appropriated only for EA-6B aircraft; for the Air Force, \$5,212,000,000.

MISSILES

For missiles: for the Army, \$956,140,000; for the Navy, \$848,212,000, of which \$55,500,000 is authorized to be appropriated only for the Phoenix missile; for the Marine Corps, \$13,500,000; for the Air Force, \$1,768,000,000.

NAVAL VESSELS

For naval vessels: for the Navy, \$1,360,500,000, of which \$52,000,000 is authorized to be appropriated only for the procurement of long leadtime components that could be used in vessels of either the DXGN or DLGN types and \$22,500,000 is authorized to be appropriated only for long leadtime components for an improved nuclear-powered attack submarine of new design.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, \$299,426,000; for the Marine Corps, \$10,800,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. Funds are hereby authorized to be appropriated during the fiscal year 1969 for the use of the Armed Forces of the United

States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, \$1,631,900,000 of which \$70,400,000 is authorized to be appropriated only for programwide management and support;

For the Navy (including the Marine Corps), \$2,192,721,000, of which (a) \$46,900,000 is authorized to be appropriated only for the development of the PHOENIX missile system, (b) \$70,000,000 is authorized to be appropriated only for the development of the VFX-1 aircraft, (c) \$4,000,000 is authorized to be appropriated only for development of an improved nuclear attack submarine to be included in the fiscal year 1970 procurement program, and (d) \$16,400,000 is authorized to be appropriated only for an improved nuclear-powered attack submarine of new design to be procured in years after fiscal year 1970.

For the Air Force, \$3,553,808,000; and
For the Defense Agencies, \$487,522,000.

SEC. 202. None of the funds authorized to be appropriated by this Act may be used for development or procurement of the F-111B aircraft.

TITLE III—RESERVE FORCES

SEC. 301. For the fiscal year beginning July 1, 1968, and ending June 30, 1969, the Selected Reserve of each reserve component of the Armed Forces will be programed to attain an average strength of not less than the following:

- (1) The Army National Guard of the United States, 400,000.
- (2) The Army Reserve, 260,000.
- (3) The Naval Reserve, 128,407.
- (4) The Marine Corps Reserve, 47,204.
- (5) The Air National Guard of the United States, 77,371.
- (6) The Air Force Reserve, 45,526.
- (7) The Coast Guard Reserve, 17,700.

SEC. 302. The average strength prescribed by section 301 of this title for the Selected Reserve of any reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, not including those units ordered to active duty in January 1968, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever any such units, including those units ordered to active duty in January 1968, or such individual members are released from active duty during any fiscal year, the average strength for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

SEC. 303. Subsection (e) of title I of Public Law 89-687 (80 Stat. 981) is amended by deleting "June 30, 1968" and substituting "June 30, 1969".

TITLE IV—GENERAL PROVISIONS

SEC. 401. Subsection (a) of section 401 of Public Law 89-367, approved March 15, 1966 (80 Stat. 37) as amended, is hereby amended to read as follows: "Funds authorized for appropriation for the use of the Armed Forces of the United States under this or any other Act are authorized to be made available for their stated purposes to support (1) Vietnamese and other Free World Forces in Vietnam, (2) local forces in Laos and Thailand; and for related costs, during the fiscal year 1969 on such terms and conditions as the Secretary of Defense may determine."

SEC. 402. Notwithstanding any other provision of the law, the civilian employee manning levels at naval shipyards shall be ex-

empt from any numerical manpower limitations applicable to the Navy, but shall be governed by the availability of funds allocated for ship construction, conversion, overhaul, alteration, and repair.

Sec. 403. No funds authorized to be appropriated by this Act, or any other Act shall be expended after January 1, 1969, by any armed force of the United States for the contract procurement of commercial airlift utilizing piston powered aircraft until contract preference has been given to offerors of modern turbine powered aircraft of comparable capacity: *Provided*, That no funds may be appropriated after January 1, 1969, or expended after January 1, 1969, to or for the use of any armed force of the United States for the contract procurement of commercial airlift unless the appropriation of such funds has been authorized by legislation enacted after June 30, 1968.

Sec. 404. (a) Chapter 153 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2576. Obsolete and surplus military equipment: sale to State, local law enforcement, and firefighting agencies

"(a) The Secretary of Defense, under regulations prescribed by him, shall sell to State, local law enforcement and firefighting agencies, at fair market value, obsolete and surplus military equipment which is useful in equipping such agencies to carry out their functions and duties.

"(b) Obsolete and surplus military equipment shall not be sold under the provisions of this section to a State, local law enforcement or firefighting agency unless request therefor is made by such agency, in such form and manner as the Secretary of Defense shall prescribe, and such request, with respect to the type and amount of equipment so requested, is certified as being necessary for the operation of such agency by the Governor (or such State official as he may designate) of the State in which such agency is located. Equipment sold to a State, local law enforcement or firefighting agency under this section shall not exceed, in quantity, the amount requested and certified for such agency and shall be for the exclusive use of such agency. Such equipment may not be sold, or otherwise transferred, by such agency to any individual or public or private organization or agency."

(b) The table of sections at the beginning of chapter 153 of such title is amended by adding to the end thereof the following:

"2576. Obsolete and surplus military equipment: sale to State, local law enforcement, and firefighting agencies."

Sec. 405. No funds authorized for appropriation for the use of the Armed Forces of the United States under the provisions of this Act or the provisions of any other law shall be available for the purchase, lease, rental, or other acquisition of multipassenger motor vehicles (buses) other than multipassenger motor vehicles (buses) manufactured in the United States, except as may be authorized by regulations promulgated by the Secretary of Defense solely to insure that compliance with this prohibition will not result in either an uneconomical procurement action or one which would adversely affect the national interests of the United States.

Sec. 406. Section 2304(g) of title 10, United States Code, is amended by inserting a comma after the word "proposals" where first used in that section and inserting after the comma the words "including price."

Sec. 407. (a) Section 136 of title 10, United States Code, is amended—

(1) by inserting after the first sentence in subsection (b) the following new sentences: "One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Health Affairs. He shall have as his principal duty

the overall supervision of health affairs of the Department of Defense," and

(2) by adding at the end thereof the following new subsection:

"(g) Within the Office of the Assistant Secretary of Defense for Health Affairs there shall be a Deputy Assistant Secretary of Defense for Dental Affairs who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate. Subject to the supervision and control of the Assistant Secretary of Defense for Health Affairs, the Deputy Assistant Secretary shall be responsible for all matters relating to dental affairs within the Office of the Assistant Secretary of Defense for Health Affairs."

(b) Until otherwise provided by operation of law, the individual holding office as the Deputy Assistant Secretary of Defense (Health and Medical) on the effective date of this section shall perform the duties of the office of the Assistant Secretary of Defense for Health Affairs established by this section.

Mr. STENNIS. Mr. President, I move that the Senate disagree to the amendments of the House and request a conference with the House on the disagreeing votes of the two Houses, and that the Chair appoint the conferees on the part of the Senate.

Mr. President, this is the military authorization bill.

The motion was agreed to; and the Presiding Officer appointed Mr. STENNIS, Mr. SYMINGTON, Mr. JACKSON, Mrs. SMITH, and Mr. THURMOND conferees on the part of the Senate.

COLORADO RIVER BASIN PROJECT ACT

Mr. JACKSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1004.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1004) to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes, which was, strike out all after the enacting clause, and insert:

TITLE I—COLORADO RIVER BASIN PROJECT: OBJECTIVES

SEC. 101. That this Act may be cited as the "Colorado River Basin Project Act".

SEC. 102. (a) It is the object of this Act to provide a program for the further comprehensive development of the water resources of the Colorado River Basin and for the provision of additional and adequate water supplies for use in the upper as well as in the lower Colorado River Basin. This program is declared to be for the purposes among others, of regulating the flow of the Colorado River; controlling floods; improving navigation; providing for the storage and delivery of the waters of the Colorado River for reclamation of land, including supplemental water supplies, and for municipal, industrial, and other beneficial purposes; improving water quality; providing for basic public outdoor recreation facilities; improving conditions for fish and wildlife, and the generation and sale of electrical power as an incident of the foregoing purposes.

(b) It is the policy of the Congress that the Secretary of the Interior (hereinafter referred to as the "Secretary") shall continue to develop, after consultation with affected States and appropriate Federal agencies, a regional water plan, consistent with the provisions of this Act and with future authoriza-

tions, to serve as the framework under which projects in the Colorado River Basin may be coordinated and constructed with proper timing to the end that an adequate supply of water may be made available for such projects, whether heretofore, herein, or hereafter authorized.

TITLE II—INVESTIGATIONS AND PLANNING

SEC. 201. (a) The Water Resources Council, acting in accordance with the procedure prescribed in section 103 of the Water Resources Planning Act (79 Stat. 244), shall within one year following the effective date of this Act establish principles, standards, and procedures for the program of investigations and submittal of plans and reports authorized by this title. The Secretary, in conformity with the principles, standards, and procedures so established, is authorized and directed to—

(1) prepare estimates of the long-range water supply available for consumptive use in the Colorado River Basin, of current water requirements therein, and of the rate of growth of water requirements therein to at least the year 2030;

(2) investigate and recommend sources and means of supplying water to meet the current and anticipated water requirements of the Colorado River Basin, either directly or by exchange, including reductions in losses, importations from sources outside the natural drainage basin of the Colorado River system, desalination, weather modification, and other means: *Provided*, That the Secretary shall not, under the authority of this clause or anything in this Act contained, make any recommendation for importing water into the Colorado River system from other river basins without the approval of those States which will be affected by such exportation, said approval to be obtained in a manner consistent with the procedure and criteria established by section 1 of the Flood Control Act of 1944 (58 Stat. 837);

(3) undertake investigations, in cooperation with other concerned agencies, of means for maintaining an adequate water quality throughout the Colorado River Basin;

(4) investigate means of providing for prudent water conservation practices to permit maximum beneficial utilization of available water supplies in the Colorado River Basin;

(5) investigate and prepare estimates of the long-range water supply in States and areas from which water could be imported into the Colorado River system, together with estimates and plans to satisfy the probable ultimate requirements for water within such States and areas of origin for all purposes, including but not limited to consumptive use, navigation, river regulation, power, enhancement of fishery resources, pollution control, and disposal of wastes to the ocean, and estimates of the quantities of water, if any, that will be available in excess of such requirements.

(b) The Secretary is authorized and directed to prepare reconnaissance reports covering the matters set out in subsection (a) of this section, and such reports shall be submitted to the President and to the Congress not later than June 30, 1973, and, as revised and updated, every five years thereafter. For the purpose of providing for the repayment of the reimbursable costs of any projects covered by such reports, the Secretary shall take into account such assistance as may be available to the States of the Upper Division from the Upper Colorado River Basin Fund (70 Stat. 107), and to the States of the Lower Division from the development fund established by section 403 of this Act.

(c) On the basis of the investigations and studies performed pursuant to this section, and subject to the provisions of subsection (a) (2) and section 203 hereof, the Secretary shall prepare a feasibility report on a plan which shows the most economical means of

augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet annually. The recommended plan may include the construction of works and facilities by such successive stages as are estimated to be necessary to alleviate critical water shortages as they occur. The report prepared pursuant to this subsection, along with comments of the affected States and appropriate Federal agencies thereon, shall be submitted to the Congress on or before January 1, 1975.

SEC. 202. The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of this Act and authorized by the Congress. Accordingly, the States of the Upper Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which may have been imposed upon them by article III(c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican Water Treaty together with any losses of water associated with the performance of that treaty: Provided, That the satisfaction of the requirements of the Mexican Water Treaty (Treaty Series 994, 59 Stat. 1219), shall be from the waters of the Colorado River pursuant to the treaties, laws, and compacts presently relating thereto, until such time as a feasibility plan showing the most economical means of augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet shall be authorized by the Congress.

SEC. 203. (a) In the event that the Secretary shall, pursuant to section 201(a) (2) and 201(c), plan works to import water into the Colorado River system from sources outside the natural drainage areas of the system, he shall make provision for adequate and equitable protection of the interests of the States and areas of origin, including assistance from funds specified in section 201(b) of this Act, to the end that water supplies may be available for use in such States and areas of origin adequate to satisfy their ultimate requirements at prices to users not adversely affected by the exportation of water to the Colorado River system.

(b) All requirements, present or future, for water within any State lying wholly or in part within the drainage area of any river basin from which water is exported by works planned pursuant to this Act shall have a priority of right in perpetuity to the use of the waters of that river basin, for all purposes, as against the uses of the water delivered by means of such exportation works, unless otherwise provided by interstate agreement.

SEC. 204. The Secretary shall submit annually to the President and the Congress reports covering progress on the investigations and reports authorized by this title.

SEC. 205. There are hereby authorized to be appropriated such sums as are required to carry out the purposes of this title.

TITLE III—AUTHORIZED UNITS: PROTECTION OF EXISTING USES

SEC. 301. (a) For the purposes of furnishing irrigation water and municipal water supplies to the water-deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary shall construct, operate, and maintain the Central Arizona Project, consisting of the following principal works: (1) a system of main conduits and canals,

including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system shall have a capacity of not to exceed two thousand five hundred cubic feet per second; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so operated as not to prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59); (4) Hooker Dam and Reservoir or suitable alternative, which shall be constructed in such a manner as to give effect to the provisions of subsection (f) of section 304; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueduct; (8) related canals, regulating facilities, hydroelectric powerplants, and electrical transmission facilities required for the operation of said principal works; (9) related water distribution and drainage works; and (10) appurtenant works.

(b) Article II(B) (3) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient main stream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversions from the main stream for the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use by holders of present perfected rights, by other users in the State of California served under existing contracts with the United States by diversion works heretofore constructed, and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of mainstream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater than would have been imposed in the absence of this subsection 301(b). This subsection shall not affect the relative priorities, among themselves, of water users in Arizona, Nevada, and California which are senior to diversions for the Central Arizona Project, or amend any provisions of said decree.

(c) The limitation stated in subsection (b) of this section shall not apply so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada.

SEC. 302. (a) The Secretary shall designate the lands of the Salt River Pima-Maricopa Indian Community, Arizona, and the Fort McDowell-Apache Indian Community, Arizona, or interests therein, and any allotted lands or interests therein within said communities which he determines are necessary for use and occupancy by the United States for the construction, operation, and maintenance of Orme Dam and Reservoir, or alternative. The Secretary shall offer to pay the fair market value of the lands and interests designated, inclusive of improvements. In addition, the Secretary shall offer to pay toward the cost of relocating or replacing such improvements not to exceed \$500,000 in the aggregate, and the amount offered for the actual relocation or replacement of a residence shall not exceed the difference between the fair market value of the residence

and \$8,000. Each community and each affected allottee shall have six months in which to accept or reject the Secretary's offer. If the Secretary's offer is rejected, the United States may proceed to acquire the property interests involved through eminent domain proceedings in the United States District Court for the District of Arizona under 40 U.S.C., sections 257 and 258a. Upon acceptance in writing of the Secretary's offer, or upon the filing of a declaration of taking in eminent domain proceedings, title to the lands or interests involved, and the right to possession thereof, shall vest in the United States. Upon a determination by the Secretary that all or any part of such lands or interests are no longer necessary for the purpose for which acquired, title to such lands or interests shall be restored to the appropriate community.

(b) Title to any land or easement acquired pursuant to this section shall be subject to the right of the former owner to use or lease the land for purposes not inconsistent with the construction, operation, and maintenance of the project, as determined by, and under terms and conditions prescribed by, the Secretary. Such right shall include the right to extract and dispose of minerals. The determination of fair market value under subsection (a) shall reflect the right to extract and dispose of minerals but not the other uses permitted by this subsection.

(c) In view of the fact that a substantial portion of the lands of the Fort McDowell Mohave-Apache Indian Community will be required for Orme Dam and Reservoir, or alternative, the Secretary shall, in addition to the compensation provided for in subsection (a) of this section, designate and add to the Fort McDowell Indian Reservation twenty-five hundred acres of suitable lands in the vicinity of the reservation that are under the jurisdiction of the Department of the Interior in township 4 north, range 7, east; township 5 north, range 7 east; and township 3 north, range 7 east, Gila and Salt River base meridian, Arizona. Title to lands so added to the reservation shall be held by the United States in trust for the Fort McDowell Mohave-Apache Indian Community.

(d) Each community shall have a right, in accordance with plans approved by the Secretary, to develop and operate recreational facilities along the part of the shoreline of the Orme Reservoir located on or adjacent to its reservation, including land added to the Fort McDowell Reservation as provided in subsection (b) of this section, subject to rules and regulations prescribed by the Secretary governing the recreation development of the reservoir. Recreation development of the entire reservoir and federally owned lands under the jurisdiction of the Secretary adjacent thereto shall be in accordance with a master recreation plan approved by the Secretary. Each community and the members thereof shall have non-exclusive personal rights to hunt and fish on the reservoir, to the same extent they are now authorized to hunt and fish, without charge, but shall have no right to exclude others from the reservoir except by control of access through their reservations, or any right to require payments by the public except for the use of community lands or facilities.

(e) All funds paid pursuant to this section, and any per capita distribution thereof, shall be exempt from all forms of State and Federal income taxes.

SEC. 303. (a) The Secretary is authorized and directed to continue to a conclusion appropriate engineering and economic studies and to recommend the most feasible plan for the construction and operation of hydroelectric generating and transmission facilities, the purchase of electrical energy, the purchase of entitlement to electrical plant capacity, or any combination thereof, includ-

ing participation, operation, or construction by non-Federal entities, for the purpose of supplying the power requirements of the Central Arizona Project and augmenting the Lower Colorado River Basin Fund: *Provided*, That nothing in this section or in this Act contained shall be construed to authorize the study or construction of any dams on the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam.

(b) If included as a part of the recommended plan, the Secretary may enter into an agreement with non-Federal interests proposing to construct a thermal generating powerplant whereby the United States shall acquire the right to such portion of the capacity of such plant, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the operation of the Central Arizona Project. When not required for the Central Arizona Project, the power and energy acquired by such agreement may be disposed of intermittently by the Secretary for other purposes at such prices as he may determine, including its marketing in conjunction with the sale of power and energy from Federal powerplants in the Colorado River system so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates. The agreement shall provide, among other things, that—

(1) the United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplant, and of any switchyards and transmission facilities serving the United States, as is represented by the ratios of the respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of preparation of designs and specifications, in such installments as will facilitate a timely construction schedule, but no funds other than for preconstruction activities shall be made available by the Secretary until he determines that adequate contracts have been entered into between all the affected parties covering land, water, fuel supplies, power (its availability and use), rights-of-way, transmission facilities and all other necessary matters for the thermal generating powerplant;

(2) annual operation and maintenance costs, including provisions for depreciation (except as to depreciation on the pro rata share of the construction cost borne by the United States in accordance with the foregoing clause (1)), shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing clause (1);

(3) the United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplant and appurtenances;

(4) costs to be borne by the United States under clauses (1) and (2) shall not include (a) interest and interest during construction, (b) financing charges, (c) franchise fees, and (d) such other costs as shall be specified in the agreement.

(c) No later than one year from the effective date of this Act, the Secretary shall submit his recommended plan to the Congress. Except as authorized by subsection (b) of this section, such plan shall not become effective until approved by the Congress.

(d) If the thermal generating plant referred to in subsection (b) of this section is located in Arizona, and if it is served by water diverted from the drainage area of the Colorado River system above Lee Ferry, other

provisions of existing law to the contrary notwithstanding, such consumptive use of water shall be a part of the fifty thousand acre-feet per annum apportioned to the State of Arizona by article III (a) of the Upper Colorado River Basin Compact (63 Stat. 31).

SEC. 304. (a) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges and, with the approval of the Secretary, State-administered wildlife management areas.

(b) (1) Irrigation and municipal and industrial water supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other arrangements whereby each such organization makes water from the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval, and the United States shall, if the Secretary determines such action is desirable to facilitate carrying out the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this clause (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

(2) Any obligation assumed pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h (d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9(e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(e)) may be on the basis of delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes.

(3) Contracts relating to municipal and industrial water supply under the Central Arizona Project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

(c) Each contract under which water is provided under the Central Arizona Project shall require that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings adequate in his judgment to prevent excessive conveyance losses; and (3) neither the contractor nor

the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the service area of a contractor receiving water from the Central Arizona Project for any use outside said contractor's service area unless the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required. Such contracts shall be subordinate at all times to the satisfaction of all existing contracts between the Secretary and users in Arizona heretofore made pursuant to the Boulder Canyon Project Act (45 Stat. 1057).

(d) The Secretary may require in any contract under which water is provided from the Central Arizona Project that the Contractor agree to accept mainstream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (f) of this section: *Provided*, That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

(e) In times of shortage or reduction of main-stream Colorado River water for the Central Arizona Project, as determined by the Secretary, users which have yielded water from other sources in exchange for main-stream water supplied by that project shall have a first priority to receive main-stream water, as against other users supplied by that project which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

(f) (1) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until, and shall continue only so long as, delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversions from the Gila River, its tributaries, and underground water sources. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

(2) The Secretary shall further offer to contract with water users in New Mexico for water from the Gila River, its tributaries, and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of an additional thirty thousand acre-feet, including reservoir evaporation. Such further increases in consumptive use shall not begin until, and shall continue only so long as, works capable of augmenting the water supply of the Colorado River system have been completed and water sufficiently in excess of two million eight hundred thousand acre-feet per annum is available from the main stream of the Colorado River for consumptive use in Arizona to provide water for the exchanges herein authorized and provided. In determining the amount

required for this purpose, full consideration shall be given to any differences in the quality of the waters involved.

(3) All additional consumptive uses provided for in clauses (1) and (2) of this subsection shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries, and underground water sources and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

SEC. 305. To the extent that the flow of the main stream of the Colorado River is augmented in order to make sufficient water available for release, as determined by the Secretary pursuant to article II(b)(1) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340), to satisfy annual consumptive use of two million eight hundred thousand acre-feet in Arizona, four million four hundred thousand acre-feet in California, and three hundred thousand acre-feet in Nevada, respectively, the Secretary shall make such water available to users of main-stream water in those States at the same costs (to the extent that such costs can be made comparable through the nonreimbursable allocation to the replenishment of the deficiencies occasioned by satisfaction of the Mexican Treaty burden as herein provided and financial assistance from the development fund established by section 403 of this Act) and on the same terms as would be applicable if main-stream water were available for release in the quantities required to supply such consumptive use.

SEC. 306. The Secretary shall undertake programs for water salvage and ground water recovery along and adjacent to the main stream of the Colorado River. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary.

SEC. 307. The Dixie Project, heretofore authorized in the State of Utah, is hereby reauthorized for construction at the site determined feasible by the Secretary, and the Secretary shall integrate such project into the repayment arrangement and participation in the Lower Colorado River Basin Development Fund established by title IV of this Act consistent with the provisions of the Act: *Provided*, That section 8 of Public Law 88-565 (78 Stat. 848) is hereby amended by deleting the figure "\$42,700,000" and inserting in lieu thereof the figure "\$58,000,000".

SEC. 308. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the project works authorized pursuant to this title shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213), except as provided in section 302 of this Act.

SEC. 309. (a) There is hereby authorized to be appropriated for construction of the Central Arizona Project, including prepayment for power generation and transmission facilities but exclusive of distribution and drainage facilities for non-Indian lands, \$779,000,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved here and, in addition thereto, such sums as may be required for operation and maintenance of the project.

(b) There is also authorized to be appropriated \$100,000,000 for construction of distribution and drainage facilities for non-Indian lands. Notwithstanding the provisions of section 403 of this Act, neither appropriations made pursuant to the authorization contained in this subsection (b) nor revenues collected in connection with the operation of such facilities shall be credited to the Lower Colorado River Basin Development Fund and payments shall not be made from that fund to the general fund of the Treasury to return any part of the costs of construction, operation, and maintenance of such facilities.

TITLE IV—LOWER COLORADO RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS: CONTRACTS

SEC. 401. Upon completion of each lower basin unit of the project herein or hereafter authorized, or separate feature thereof, the Secretary shall allocate the total costs of constructing said unit or features to (1) commercial power, (2) irrigation, (3) municipal and industrial water supply, (4) flood control, (5) navigation, (6) water quality control, (7) recreation, (8) fish and wildlife, (9) the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by performance of the Water Treaty of 1944 with the United Mexican States (Treaty Series 994), and (10) any other purposes authorized under the Federal reclamation laws. Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be nonreimbursable. The repayment of costs allocated to recreation and fish and wildlife enhancement shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213): *Provided*, That all of the separable and joint costs allocated to recreation and fish and wildlife enhancement as a part of the Dixie project, Utah, shall be nonreimbursable. Costs allocated to nonreimbursable purposes shall be nonreturnable under the provisions of this Act.

SEC. 402. The Secretary shall determine the repayment capability of Indian lands within, under, or served by any unit of the project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 464), and such costs that are beyond repayment capability of such lands shall be nonreimbursable.

SEC. 403. (a) There is hereby established a separate fund in the Treasury of the United States to be known as the Lower Colorado River Basin Development Fund (hereinafter called the "development fund"), which shall remain available until expended as herein-after provided.

(b) All appropriations made for the purpose of carrying out the provisions of title III of this Act shall be credited to the development fund as advances from the general fund of the Treasury, and shall be available for such purpose.

(c) There shall also be credited to the development fund—

(1) All revenues collected in connection with the operation of facilities authorized in title III in furtherance of the purposes of this Act (except entrance, admission, and other recreation fees or charges and proceeds received from recreation concessionaires), including revenues which, after completion of payout of the Central Arizona

Project as required herein are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said project; and

(2) any Federal revenues from the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of the said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of those projects: *Provided, however*, That the Secretary is authorized and directed to continue the in-lieu-of-tax payments to the States of Arizona and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon project; and

(3) any Federal revenues from that portion of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona which, after completion of repayment requirements of the said part of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said portion of the Pacific Northwest-Pacific Southwest intertie and related facilities.

(d) All moneys collected and accredited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section shall be available, without further appropriation for—

(1) defraying the costs of operation, maintenance, and replacements of, and emergency expenditures for, all facilities of the projects, within such separate limitations as may be included in annual appropriation Acts; and

(2) payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 304(f) of this Act.

(e) Revenues credited to the development fund shall not be available for construction of the works comprised within any unit of the project herein or hereafter authorized except upon appropriation by the Congress.

(f) Moneys credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section in excess of the amount necessary to meet the requirements of clauses (1), and (2) of subsection (d) of this section shall be paid annually to the general fund of the Treasury to return—

(1) the costs of each unit of the projects or separable feature thereof authorized pursuant to title III of this Act, which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act within a period of not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law: *Provided*, That return of the cost, if any, required by section 307 shall not be made until after the payout period of the Central Arizona Project as authorized herein;

(2) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance

with the provisions of subsection (h) of this section, and interest due shall be a first charge.

(g) All revenues credited to the development fund in accordance with clause (c) (2) of this section (excluding only those revenues derived from the sale of power and energy for use in Arizona during the payout period of the Central Arizona Project as authorized herein) and such other revenues as remain in the development fund after making the payments required by subsections (d) and (f) of this section shall be available (1) to make payments, if any, as required by sections 307 and 502 of this Act, and (2), upon appropriation by the Congress, to assist in the repayment of reimbursable costs incurred in connection with units hereafter constructed to provide for the augmentation of the water supplies of the Colorado River for use below Lee Ferry as may be authorized as a result of the investigations and recommendations made pursuant to clause 201(a) (2) and subsection 203(a) of this Act.

(h) The interest rate applicable to those portions of the reimbursable costs of each unit of the project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such unit, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

(i) Business-type budgets shall be submitted to the Congress annually for all operations financed by the development fund.

SEC. 404. On January 1 of each year the Secretary shall report to the Congress beginning with the fiscal year ending June 30, 1969, upon the status of the revenues from and the cost of constructing, operating, and maintaining each lower basin unit of the project for the preceding fiscal year. The report of the Secretary shall be prepared to reflect accurately the Federal investment allocated at that time to power, to irrigation, and to other purposes, the progress of return and repayment thereon, and the estimated rate of progress, year by year, in accomplishing full repayment.

TITLE V—UPPER COLORADO RIVER BASIN AUTHORIZATION AND REIMBURSEMENTS

SEC. 501. (a) In order to provide for the construction, operation, and maintenance of the Animas-La Plata Federal reclamation project, Colorado-New Mexico; the Dolores, Dallas Creek, West Divide, and San Miguel Federal reclamation projects, Colorado; and the Central Utah project (Utah unit), Utah, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), and to provide for the completion of planning reports on other participating projects, clause (2) of section 1 of said Act is hereby further amended by (i) inserting the words "and the Uintah unit" after the word "phase" within the parentheses following "Central Utah", (ii) deleting the words "Pine River Extension" and inserting in lieu thereof the words "Animas-LaPlata, Dolores, Dallas Creek, West Divide San Miguel", (iii) adding after the words "Smith Fork:" the proviso "Provided, That construction of the Uintah unit of the Central Utah project shall not be undertaken by the Secretary until he has completed a feasibility report on such unit and submitted such report to the Congress along with his certification that, in his judgment, the benefits of such unit or segment will exceed the costs and that such unit is physically and financially feasible." Section 2 of said Act is hereby further amended by (1)

deleting the words "Parshall, Troublesome, Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers Extension, Animas-La Plata", and inserting after the words "Yellow Jacket" the words "Basalt, Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomichi Creek units, Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units)"; (ii) by inserting after the word "Sublette" the words "(including a diversion of water from the Green River to the North Platte River Basin in Wyoming), Ute Indian unit of the Central Utah Project, San Juan County (Utah), Price River, Grand County (Utah), Gray Canyon and Juniper (Utah)"; and (iii) changing the period after "projects" to a colon and adding the following proviso: "Provided, That the planning report for the Ute Indian unit of the Central Utah participating project shall be completed on or before December 31, 1974, to enable the United States of America to meet the commitments heretofore made to the Ute Indian Tribe of the Uintah and Ouray Indian Reservation under the agreement dated September 20, 1965 (Contract Numbered 10-06-W-194)." . . . The amount which section 12 of said Act authorizes to be appropriated is hereby further increased by the sum of \$392,000,000, plus or minus such amounts, if any, as may be required, by reason of changes in construction costs as indicated by engineering cost indices applicable to the type of construction involved. This additional sum shall be available solely for the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel projects herein authorized.

(b) The Secretary is directed to proceed as nearly as practicable with the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel participating Federal reclamation projects concurrently with the construction of the Central Arizona Project, to the end that such projects shall be completed not later than the date of the first delivery of water from said Central Arizona Project: *Provided*, That an appropriate repayment contract for each of said participating projects shall have been executed as provided in section 4 of the Colorado River Storage Project Act (70 Stat. 107) before construction shall start on that particular project.

(c) The Animas-La Plata Federal reclamation project shall be constructed and operated in substantial accordance with the engineering plans set out in the report of the Secretary transmitted to the Congress on May 4, 1966, and printed as House Document 436, Eighty-ninth Congress: *Provided*, That construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

"ANIMAS-LA PLATA PROJECT COMPACT

"The State of Colorado and the State of New Mexico, in order to implement the operation of the Animas-La Plata Federal Reclamation Project, Colorado-New Mexico, a proposed participating project under the Colorado River Storage Project Act (70 Stat. 105), and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and have agreed upon the following articles:

"ARTICLE I

"A. The right to store and divert water in Colorado and New Mexico from the La Plata and Animas River systems, including return flow to the La Plata River from Animas River diversions, for uses in New Mexico un-

der the Animas-La Plata Federal Reclamation Project shall be valid and of equal priority with those rights granted by decree of the Colorado State courts for the uses of water in Colorado for that project, providing such uses in New Mexico are within the allocation of water made to that state by articles III and XIV of the Upper Colorado River Basin Compact (63 Stat. 31).

"B. The restrictions of the last sentence of Section (a) of Article IX of the Upper Colorado River Basin Compact shall not be construed to vitiate paragraph A of this article.

"ARTICLE II

"This Compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States."

(d) The Secretary shall, for the Animas-La Plata, Dolores, Dallas Creek, San Miguel, West Divide, and Seedskadee participating projects of the Colorado River storage project, establish the nonexcess irrigable acreage for which any single ownership may receive project water at one hundred and sixty acres of class 1 land or the equivalent thereof, as determined by the Secretary, in other land classes.

(e) In the diversion and storage of water for any project or any parts thereof constructed under the authority of this Act or the Colorado River Storage Project Act within and for the benefit of the State of Colorado only, the Secretary is directed to comply with the constitution and statutes of the State of Colorado relating to priority of appropriation; with State and Federal court decrees entered pursuant thereto; and with operating principles, if any, adopted by the Secretary and approved by the State of Colorado.

(f) The words "any western slope appropriations" contained in paragraph (i) of that section of Senate Document Numbered 80, Seventy-fifth Congress, first session, entitled "Manner of Operation of Project Facilities and Auxiliary Features", shall mean and refer to the appropriation heretofore made for the storage of water in Green Mountain Reservoir, a unit of the Colorado-Big Thompson Federal reclamation project, Colorado; and the Secretary is directed to act in accordance with such meaning and reference. It is the sense of Congress that this directive defines and observes the purpose of said paragraph (i), and does not in any way affect or alter any rights or obligations arising under said Senate Document Numbered 80 or under the laws of the State of Colorado.

SEC. 502. The Upper Colorado River Basin Fund established under section 5 of the Act of April 11, 1956 (70 Stat. 107), shall be reimbursed from the Colorado River Development Fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 755) for the money expended heretofore or hereafter from the Upper Colorado River Basin Fund to meet deficiencies in generation at Hoover Dam during the filling period of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose, \$500,000 for each year of operation of Hoover Dam and powerplant, commencing with the enactment of this Act, shall be transferred from the Colorado River Development Fund to the Upper Colorado River Basin Fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin Fund from the Lower Colorado River Basin Development Fund, as provided in subsection (g) of section 403.

TITLE VI—GENERAL PROVISIONS:

DEFINITIONS: CONDITIONS

SEC. 601. (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994), the decree entered by the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774) or the Colorado River Storage Project Act (70 Stat. 1053).

(b) The Secretary is directed to—

(1) make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1970. Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and the Governors of each State signatory to the Colorado River Compact;

(2) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River Compact.

(c) All Federal officers and agencies are directed to comply with the applicable provisions of this Act, and of the laws, treaty, compacts, and decree referred to in subsection (a) of this section, in the storage and release of water from all reservoirs and in the operation and maintenance of all facilities in the Colorado River system under the jurisdiction and supervision of the Secretary, and in the operation and maintenance of all works which may be authorized hereafter for the augmentation of the water supply of the Colorado River system. In the event of failure of any such officer or agency to so comply, any affected State may maintain an action to enforce the provisions of this section in the Supreme Court of the United States and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

SEC. 602. (a) In order to fully comply with and carry out the provisions of the Colorado River Compact, the Upper Colorado River Basin Compact, and the Mexican Water Treaty, the Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River Storage Project Act, the Boulder Canyon Project Act, and the Boulder Canyon Project Adjustment Act. To effect in part the purposes expressed in this paragraph, the criteria shall make provision for the storage of water in storage units of the Colorado River Storage Project and releases of water from Lake Powell in the following listed order of priority:

(1) Releases to supply one-half the deficiency described in article III(c) of the Colorado River Compact, if any such deficiency exists and is chargeable to the States of the Upper Division, but in any event such releases, if any, shall not be required in any year that the Secretary makes the determination and issues the proclamation specified in section 202 of this Act.

(2) Releases to comply with article III(d) of the Colorado River Compact, less such quantities of water delivered into the Colorado River below Lee Ferry to the credit of the States of the Upper Division from other sources.

(3) Storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representa-

tives of the three Lower Division States and taking into consideration all relevant factors (including, but not limited to, historic streamflows, the most critical period of record, and probabilities of water supply), shall find this to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River Compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the Lower Division to the uses specified in article III(e) of the Colorado River Compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

(b) Not later than January 1, 1970, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the Governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than July 1, 1970, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1972, and yearly thereafter, the Secretary shall transmit to the Congress and to the Governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the Governors of the seven Colorado River Basin States and appropriate consultation with such State representatives as each Governor may designate.

(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

SEC. 603. (a) Rights of the upper basin to the consumptive use of water available to that basin from the Colorado River system under the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin.

(b) Nothing in this Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission.

SEC. 604. Except as otherwise provided in this Act, in constructing, operating, and maintaining the units of the projects herein and hereafter authorized, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

SEC. 605. Part I of the Federal Power Act (41 Stat. 1063; 16 U.S.C. 791a-823) shall not be applicable to the reaches of the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam until and unless otherwise provided by Congress.

SEC. 606. As used in this Act, (a) all terms which are defined in the Colorado River Compact shall have the meanings therein defined;

(b) "Main stream" means the main stream of the Colorado River downstream from Lee Ferry, within the United States, including the reservoirs thereon;

(c) "User" or "water user" in relation to main-stream water in the lower basin means the United States or any person or legal entity entitled under the decree of the Su-

preme Court of the United States in Arizona against California, and others (376 U.S. 340) to use main-stream water when available thereunder.

(d) "Active storage" means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works;

(e) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming; and

(f) "Augment" or "augmentation", when used herein with reference to water, means to increase the supply of the Colorado River or its tributaries by the introduction of water into the Colorado River system, which is in addition to the natural supply of the system.

And amend the title so as to read: "An act to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes."

MR. JACKSON. Mr. President, I move that the Senate disagree to the amendment of the House and request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JACKSON, Mr. ANDERSON, Mr. CHURCH, Mr. GRUENING, Mr. HAYDEN, Mr. KUCHEL, Mr. ALLOTT, and Mr. JORDAN of Idaho conferees on the part of the Senate.

MR. MANSFIELD. Mr. President, I suggest the absence of a quorum.

THE PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

MR. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

THE PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE MEETING DURING
SENATE SESSION

MR. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry may be authorized to meet during the session of the Senate on Wednesday next.

THE PRESIDING OFFICER. Without objection, it is so ordered.

VOCATIONAL EDUCATION AMEND-
MENTS OF 1968

The Senate resumed the consideration of the bill (S. 3770) to amend the Vocational Education Act of 1963, and for other purposes.

UNANIMOUS-CONSENT AGREEMENT

MR. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the morning hour on Wednesday next, there be a time limitation of not to exceed 1 hour on any amendment, to be equally divided between the mover of the amendment and the majority leader: *Provided*, that in the event the majority leader is in favor of any such amendment, the time in opposition thereto shall be controlled by the minority leader or a Senator designated by him; provided further, that on the

amendment of the Senator from New York [Mr. JAVITS], the time be equally divided between the Senator from New York [Mr. JAVITS] and the Senator from Louisiana [Mr. ELLENDER], or by any Senators they may designate.

Mr. JAVITS. Mr. President, may I ask the majority leader what time he proposes to come in on Wednesday?

Mr. MANSFIELD. At 12 o'clock.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

The Chair hears none, and it is so ordered.

Mr. CLARK. Mr. President, would the Senator say a word about the Dominick amendment?

Mr. MANSFIELD. Mr. President, I understand that the distinguished Senator from Colorado [Mr. DOMINICK] is going to offer an amendment very shortly. It is my further understanding that the distinguished Senator from Pennsylvania [Mr. CLARK] will move at an appropriate time to table the Dominick amendment. So, it is quite possible—it is almost a certainty, I would say to my colleagues—that there will be one rollcall vote tonight.

Mr. CLARK. Mr. President, I am prepared also, in the event the motion to table fails—which I hope it will not—to agree that we should have a time limitation of 1 hour on the Dominick amendment and a vote on the amendment on Wednesday. But I am not prepared to vote tonight, except on the tabling motion.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. PASTORE. Mr. President, I think this is getting to be a little impossible. I do not know what the conference was all about, but 12 Senators were discussing the matter outside of the Chamber without the knowledge of the rest of us. And we have been sitting here, patiently waiting to see what was going to happen. If we are going to go over to Wednesday on the bill, why all the nonsense of having a vote on the motion to table and a vote on the substance of the amendment on Wednesday? Why do we not get a time limitation and go over until Wednesday, or come back tomorrow?

We are here at 7 o'clock tonight. We have been sitting here without any knowledge of what was going on. And there will be a motion to table, but the man who will make the motion to table has said that he does not want to vote on the substance of the amendment tonight.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. CLARK. Mr. President, I would be perfectly happy to have that done. That is what I have been urging.

Mr. PASTORE. We would not be wasting any time. We are coming back on Wednesday. Let us get a time limitation and come back then.

Mr. DOMINICK. Mr. President, I have been sitting here waiting to get this thing decided, like everybody else.

I announced to the committee that I was going to offer an amendment, when

the committee was in executive session. I have been ready to offer it, and I have been unable to do it because of the colloquy of the others. I do not know any reason why, as long as we are rushing for adjournment, we cannot get the thing settled today.

Mr. AIKEN. Mr. President, may I ask a question of whoever can answer it. We are talking about the settling of the matter on Wednesday. What Wednesday is referred to? Is it some Wednesday in October? It begins to look like it.

Mr. MANSFIELD. Next Wednesday. The Senator from Montana is seeking advice.

Mr. PASTORE. Mr. President, I repeat that, inasmuch as we are going to go over until Wednesday, in any eventuality, why waste any time tonight? Let us get a time limitation and put both amendments over until next Wednesday. Let us get a time limitation on a vote on the bill, so far as I care.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. As manager of the bill, I should like to make a suggestion for a time schedule.

I agree with Senator PASTORE that we still have not a report on the conference we had, and it is still an incomplete conference, and that is why there is a delay to Wednesday. If I may have the attention of the majority leader, I suggest that we recess or adjourn tonight until Wednesday morning, at 10 o'clock, and then we take up the Dominick amendment at 10 o'clock Wednesday morning.

As the majority leader knows, we are concerned about taking up the other matter later on Wednesday, and we could dispose of the Dominick amendment on Wednesday morning and then proceed with the unanimous consent agreed on the Javits amendment and then try to get a unanimous-consent agreement on a time certain to vote on the bill.

Mr. CLARK. It is all right with me.

Mr. MANSFIELD. I feel that I must stand by the will of the Senate as requested by the joint leadership.

I would wish that it would be possible to consider the amendment of the Senator from Colorado [Mr. DOMINICK] on an up or down basis and not to have the Senate faced by two possible votes in case a tabling motion does not carry.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CLARK. I would be willing to vote the Dominick amendment up or down on Wednesday, but not tonight.

Mr. MANSFIELD. The Senator indicated he was not going to vote it up or down tonight, that if the tabling motion failed, which he hoped it would not, he would then be willing to consider a time limitation on Wednesday next. So it is not a case of voting it up or down tonight.

Mr. CLARK. I will go further than that. I am willing not to make a tabling motion on Wednesday, but vote on the amendment.

Mr. MANSFIELD. That is what the Senator said he was going to do, anyway, if the tabling motion failed. Is that correct?

Mr. CLARK. No; because it is my understanding that the Senator from Colorado was going to press for a vote tonight. I see no point in voting on a tabling motion tonight, at 5 minutes after 7, when we can dispose of it one way or the other on Wednesday morning.

Mr. DOMINICK. All I can say on this particular matter is that the Senator from Pennsylvania is saying that he wants to get a bunch of people here to start twisting some people's arms on this vote.

All I am talking about is the same amendment I offered before. It was voted on once before. It is a year later now. I can do this in 15 or 20 minutes. We can get a vote on the merits.

Mr. CLARK. I do not want to discuss the merits, Mr. Leader.

Mr. AIKEN. Mr. President, I would like to ask a question. Is this Senate to run on the whims of any one particular Member, in whatever way he chooses to operate it in his own manner? If it is, I should like to speak for 2 days in September.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CLARK. The Senate, I believe, is run in accordance with its rules, with which the Senator from Vermont is even more familiar than I am.

Mr. AIKEN. And the rules are that no one Member of the Senate can inconvenience the other 98.

Mr. CLARK. I wish that were true, but the Senator knows very well it is not.

Mr. MANSFIELD. Mr. President, the distinguished Senator from Vermont, as always, has raised a very good point, and he has made a statement to the point.

It seems to me that there is a wide divergence on the part of the membership; so, with a hope and a prayer, I ask unanimous consent that at the conclusion of the transaction of morning business on Wednesday next, there be a time allocation of 1 hour on the Javits amendment and 1 hour on the Dominick amendment, the time to be equally divided between the sponsors of the amendment and the manager of the bill, the Senator from Oregon, or whomever he may designate, and that a vote on passage of the bill occur not later than 3 o'clock.

Mr. MORSE. Will the Senator modify his request to state 1 hour on the bill, also?

Mr. MANSFIELD. And 1 hour on the bill, the vote to be taken not later than 4 o'clock.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. The Senator stated the Javits amendment and the Dominick amendment, as if they came in that order. It is my understanding that the Dominick amendment would come first because of certain factors.

Mr. MANSFIELD. Regardless of the order in which they came. I did not mean it in that fashion.

July 17, 1968

12. WATERSHEDS. The Agriculture and Forestry Committee approved plans for works of improvement on several watershed projects. p. D695
13. GUAM. A subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration with amendments S. 3072, increasing authorizations for the rehabilitation of Guam. p. D696
14. MARITIME TRADES. Sen. Moss inserted the statement of Sen. Young, Ohio, on maritime policies, before the Maritime Trades Dept., AFL-CIO. pp. S8750-2
15. FOREIGN AFFAIRS. Sen. Young, Ohio, criticized the operations of AID in Vietnam. p. S8752
16. TIMBER SALES. Sen. Morse inserted his letter to Secretary Freeman expressing concern over the export of logs from national forest lands and an OGC "opinion" entitled "Reply to the Questions Submitted by Senator Morse of Oregon Relative to the Secretary's Authority to Sell Timber From National Forests for Export." pp. S8756-60
17. WHEAT. Sen. Dominick stated that since administration implementation of U. S. participation under the International Wheat Trade Convention "domestic prices have declined so far that export taxes are payable on the four kinds of wheat for which the Secretary of Agriculture announced minimum prices on June 13" thus "taxing exporters to bring prices up." p. S8771
18. FARM LOSSES. Sen. Metcalf discussed his bill to provide that farming losses incurred by persons who are not bona fide farmers may not be used to offset nonfarm income, inserted copies of Treasury's and Agriculture's views on same, and stated that he planned to introduce a new bill "which will incorporate the administration's suggestions." pp. S8782-5
19. PERSONNEL. Sen. Young, Ohio, criticized some Government agencies who have "taken it on to themselves to liberalize...travel rules" regarding employees required to work after dark. p. S8753
20. LEGISLATIVE PROGRAM. Sen. Byrd announced that the public works appropriation bill will follow the action on the independent offices appropriation bill on Thurs., the farm bill will go over until Mon., and the Transportation appropriation bill will be next week. p. S8826

HOUSE

21. RECLAMATION; WATER RESOURCES. Conferees were appointed on S. 1004, to authorize the construction, operation, and maintenance of the central Arizona project, Ariz.-New Mex., and S. 20, to provide for a comprehensive review of national water resource problems and programs (p. H6775). Senate conferees have been appointed.
22. PARKING. A subcommittee of the District of Columbia Committee approved for full committee action H. R. 17854, to provide for the construction of parking

facilities in the District for Government employees and visitors to the District. p. D698

23. WILDERNESS. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 16771, to designate certain lands in the Great Swamp National Wildlife Refuge, Morris County, N. J., as wilderness, and H. R. 13512, to designate the Mount Jefferson Wilderness, Willamette, Deschutes and Mount Hood National Forests, Oreg. p. D698
24. INDIAN AFFAIRS. Rep. Berry criticized "poverty on the Indian reservations." p. H6777
25. HOUSING. Rep. Wylie spoke in support of the proposed Housing and Urban Development Act. pp. H6863-4

EXTENSION OF REMARKS

26. NAVIGATION. Rep. Wright inserted a copy of the official report prepared by the Office of the Chief of Engineers endorsing a navigation project on the Trinity River in Texas. pp. E6583-4
27. ECONOMY. Sen. Morton inserted Gov. Rockefeller's address on some of the grave economic problems that face our country today. pp. E6584-6
28. FARMERS. Rep. Zwach inserted an article on the recently formed Town and Country Action Association of Kandiyohi County, Minn., which hopes to solve all the problems facing rural areas including that of the farmer. p. E6589
29. HUNGER. Rep. Nix spoke in favor of the U. S. and the U. N. beginning efforts at once to alleviate the starvation situation in Biafra. pp. E6592-3
30. FOREIGN TRADE. Rep. Curtis inserted articles for and against trade with the Red Bloc. pp. E6596-8
31. FORESTS. Sen. Allott inserted the "Forest Policies of the Society of American Foresters." pp. E6601-2

BILLS INTRODUCED

32. FEDERAL AID. H. R. 18653 by Rep. Broomfield, to create a catalog of Federal assistance programs; to Government Operations Committee.
33. PERSONNEL. H. R. 18658 by Rep. McDade, to amend the Civil Service Retirement Act to authorize the retirement of employees after 25 years of service without reduction in annuity; to Post Office and Civil Service Committee.
34. WHEAT. S. 3847 by Sen. Morse, to authorize the Secretary of Agriculture to purchase wheat on the futures market in order to prevent depressed wheat prices to Agriculture and Forestry Committee. Remarks of author pp. S8739-41

House of Representatives

WEDNESDAY, JULY 17, 1968

The House met at 12 o'clock noon.
The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

My soul waits upon God; from Him comes my salvation.—Psalm 62: 1.

O God of glory and Lord of life, we come to thee in this our morning prayer and waiting upon Thee we would turn away from the clamor and clatter of the confused world about us.

Help us to greet this new day with the joy of gratitude, to overcome our difficulties with increased devotion, to carry our burdens with added strength, and to meet all ills and accidents with a gallant and high-hearted happiness, giving Thee thanks always for all things.

Deliver us from disagreements which make us disagreeable, from differences which make a difference in our associations, and from resentments which ruin our relationships.

Make us adequate for every adjustment we have to make, ready for every responsibility we have to carry, and equal to every emergency which comes our way. In the midst of busy days may we not forget Thee or be unmindful that we are here to serve our people and to keep our country physically strong, mentally awake, and morally straight.

In the Master's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A PRIVILEGED REPORT ON MILITARY CONSTRUCTION APPROPRIATIONS, 1969, UNTIL MIDNIGHT FRIDAY

Mr. SIKES. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday, July 19, to file a privileged report on the military construction appropriation bill for the fiscal year 1969.

Mr. TALCOTT reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A PRIVILEGED REPORT ON DISTRICT OF COLUMBIA APPROPRIATIONS, 1969, UNTIL MIDNIGHT, JULY 18

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight, July 18, 1968, to file a priv-

ileged report on the appropriations bill for the District of Columbia for the fiscal year 1969.

Mr. DAVIS of Wisconsin reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 1004, CENTRAL ARIZONA PROJECT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1004) to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? The Chair hears none, and appoints the following conferees: Messrs. ASPINALL, JOHNSON of California, EDMONDSON, UDALL, SAYLOR, HOSMER, and BURTON of Utah.

APPOINTMENT OF CONFEREES ON S. 20, COMPREHENSIVE REVIEW OF NATIONAL WATER RESOURCE PROBLEMS AND PROGRAMS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 20) to provide for a comprehensive review of national water resource problems and programs, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

The Chair hears none, and appoints the following conferees: Messrs. ASPINALL, JOHNSON of California, HALEY, SAYLOR, and REINECKE.

MAILING OF MASTER KEYS FOR MOTOR VEHICLE IGNITION SWITCHES

Mr. NIX. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 14935), to amend title 39, United States Code, to regulate the mailing of master keys for motor vehicle ignition switches, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That sections 1 through 4 of this Act may be cited as the 'Auto Theft Prevention Act.'"

"SEC. 2. (a) Chapter 51 of title 9, United States Code, is amended by adding at the end thereof the following new section:

"§ 4010. Nonmailable motor vehicle master keys

"(a) Except as provided in subsection (b), any motor vehicle master key, any pattern, impression, or mold from which a motor vehicle master key may be made, or any advertisement for the sale of any such key, pattern, impression, or mold, is nonmailable matter, shall not be deposited in, carried, or delivered by mail, and shall be disposed of as the Postmaster General directs.

"(b) The Postmaster General is authorized to make such exemptions from the provisions of subsection (a) as he deems necessary.

"(c) For the purposes of this section, 'motor vehicle master key' means any key (other than the key furnished by the manufacturer with the motor vehicle, or the key furnished with a replacement lock, or an exact duplicate of such keys) designed to operate two or more motor vehicle ignition, door, or trunk locks of different combinations."

"(b) The analysis of chapter 1 of such title, immediately preceding section 4001 of such chapter, is amended by adding at the end thereof the following new item:

"4010. Nonmailable motor vehicle master keys."

"SEC. 3. Chapter 83 of title 18, United States Code, is amended—

"(1) by inserting after section 1716 the following new section:

"§ 1716A. Nonmailable motor vehicle master keys

"Whoever knowingly deposits for mailing or delivery, or knowingly causes to be delivered by mail according to the direction thereon, or at any place to which it is directed to be delivered by the person to whom it is addressed, any matter declared to be nonmailable by section 4010 of title 39, shall be fined not more than \$1,000, or imprisoned not more than one year, or both; and

"(2) by inserting before item 1717 in the analysis of such chapter immediately preceding section 1691 of such title, the following new item:

"1716A. Nonmailable motor vehicle master keys."

"SEC. 4. The amendments made by sections 1, 2, and 3 of this Act shall become effective sixty days after the enactment of this Act.

"SEC. 5. Section 5341 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) Whenever any Federal board, agency, or other group makes wage surveys for the purpose of establishing wage schedules for employees referred to in section 5102(c)(7) of this title, such board, agency, or other group shall make a determination of whether there exists in the wage area a sufficient number or kind of comparable positions or activities to establish prevailing

rates for one or more Federal positions or activities. After consideration of relevant evidence, including evidence submitted by employee organizations recognized as representative of employees in the area, a written decision shall be issued. If the board, agency, or other group finds that there is not a sufficient number or kind of comparable positions or activities, the rates for the area shall be in accordance with prevailing rates paid in another area which has a sufficient number of comparable positions or activities and which is determined by the board, agency, or other group to be most similar in the nature of its population, employment, manpower, and industry to the wage area for which rates are being determined.

"Sec. 6. (a) Chapter 203 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 3061. Powers of postal inspectors

"(a) Subject to subsection (b) of this section, postal inspectors may, to the extent authorized by the Postmaster General—

"(1) serve warrants and subpoenas issued under the authority of the United States;

"(2) make arrests without warrant for an offense against the United States committed in their presence; and

"(3) make arrests without warrant for a felony cognizable under the laws of the United States if they have reasonable grounds to believe that the person to be arrested has committed or is committing such a felony.

"(b) The powers granted by subsection (a) of this section shall be exercised only in the enforcement of laws regarding property of the United States in the custody of the postal service, the use of the mails, and other postal offenses."

"(b) The analysis of chapter 203 of title 18, United States Code, immediately preceding section 3041, is amended by adding at the end thereof the following new item:

"3061. Powers of postal inspectors."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Speaker, reserving the right to object, the committee has been kind enough to provide me with information with respect to this bill, but I think it would be well for the gentleman from Pennsylvania, if he is so disposed, to make a brief statement concerning the history of the original legislation as it left the House and what transpired with respect to the other body.

Mr. NIX. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am glad to yield to the distinguished gentleman from Pennsylvania.

Mr. NIX. Mr. Speaker, as the gentleman from Iowa, a member of the Postal Operations Subcommittee and of the Manpower and Civil Service Subcommittee, will recall, H.R. 14935 passed the House on a voice vote, under suspension of the rules, on February 19, 1968.

As passed by the House, the bill consisted entirely of provisions for reasonable regulation of the mailing of master keys for motor vehicle ignition switches.

The Senate amended the bill to include a provision relating to the issuance of warrants and subpoenas, and the making of arrests, by postal inspectors, as well as a provision that would materially alter the historic policy with respect to the fixing of salary rates for Federal civilian employees under the wage board system.

The provision with respect to postal inspectors would place an affirmative provision in title 18 of the United States Code to continue, in positive terms, the warrant, subpoena, and arrest authorities of the Postal Inspection Service which are not now spelled out in title 18. A separate bill for the same purpose, H.R. 18100, was reported favorably yesterday by the Committee on the Judiciary. We are advised that the Committee on the Judiciary has no objection to proceeding with the inclusion of this provision in H.R. 14935.

The other provision added by the Senate, relating to wage board pay rates. We are advised by the chairman of the Subcommittee on Manpower and Civil Service that this provision is unacceptable to that subcommittee.

The amendment which I have offered will strike from the bill that part of the Senate amendment which relates to wage board salary-fixing procedure. It would retain the provision for regulation of the mailing of master keys. It would also retain the provision with respect to the Postal Inspection Service—which is identical to the provisions of H.R. 18100 as reported by the Committee on the Judiciary.

I believe that enactment of H.R. 14935 with this amendment will be in the best interests of the public and the Government.

Mr. GROSS. Mr. Speaker, I thank the gentleman for his explanation, and point out to the Members of the House that in one instance totally ungermane subject matter has been added by the Senate to this bill, and in the other the jurisdiction of another House committee would be invaded by the passage of this bill.

Mr. Speaker, I have no doubt that the amendment which has been adopted to this bill, coming from the Judiciary Committee, is meritorious. The other amendment, so far as I am concerned, has no merit and is totally ungermane to this bill.

With great reluctance, because of the fairness of the gentleman from Pennsylvania [Mr. Nix], I must object to the consideration of this bill as it is presently being offered by the gentleman, for the reason that I have long opposed the too frequent action of the Senate in attaching wholly ungermane amendments to bills sent to that body by the House.

The SPEAKER. The gentleman objects to the request of the gentleman from Pennsylvania.

Mr. GROSS. Mr. Speaker, I do object. The SPEAKER. Objection is heard.

APPOINTMENT OF CONFEREES ON H.R. 14935, MAILING OF MASTER KEYS FOR MOTOR VEHICLE IGNITION SWITCHES

Mr. NIX. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14935) to amend title 39, United States Code, to regulate the mailing of master keys for motor vehicle ignition switches, and for other purposes, with a Senate amendment thereto, disagree to the amendment of the Senate, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Penn-

sylvania? The Chair hears none, and appoints the following conferees: Messrs. DULSKI, HENDERSON, OLSEN, NIX, CORBETT, GROSS, and CUNNINGHAM.

CORRECTION OF ROLL CALL

Mr. ROGERS of Colorado. Mr. Speaker, on rollcall No. 251, on July 15, a quorum call, I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the permanent Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

CORRECTION OF VOTE

Mr. HELSTOSKI. Mr. Speaker, on rollcall No. 257 I am recorded as not voting. I was present and voted "yea." I ask unanimous consent that the permanent Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

REACTION TO VIOLENCE

(Mr. MORRIS of New Mexico asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MORRIS of New Mexico. Mr. Speaker, every conscientious person is appalled by violence, particularly when such violence results in the death of a human being regardless of whether or not the individual is a person of great fame and prestige—it is still the sacrifice of a human life.

It seems to me that a contributing factor to these tragedies reverts to a basic attitude of threats and retaliation. A mentally deranged person or a criminal may react by shooting, stabbing or other act of violence because of his ignorance or incompetence. This may be understandable but what I do not understand is the generally accepted attitude of threats so prevalent today, not only among individuals, but also perpetrated by organizations.

For instance, just this morning I was appalled to read on page A23 of the Washington Post an advertisement authored by a supposedly respectable lobbying committee and sponsored and encouraged by the administration which stated:

We remind Congress it is not now or never. It is now or November.

This blatant political threat will probably add nothing to their cause but it will do great harm to the Nation because the individual who does not know better may conclude that threats are the American way. What our country needs is not more laws or threats but more respect and love for our fellow human beings.

(Mr. MORSE of Massachusetts asked and was given permission to address the

5. WILDERNESS. The Interior and Insular Affairs Committee reported with amendment H. R. 13512, to designate the Mount Jefferson Wilderness, Willamette, Deschutes, and Mount Hood National Forests, Oreg., as wilderness areas (H. Rept. 1838). p. H8112
6. GRAIN INSPECTION. Agreed to the conference report on H. R. 15794, to revise the Grain Standards Act (p. H8023). See Digest 135 for conference report provisions. This bill will now be sent to the President.
7. COTTON; LANDS. Agreed to the conference report on H. R. 10864, to authorize the Secretary of Agriculture to convey certain lands in Saline Co., Ark., to the Dierks Forests, Inc. The bill contains an amendment to provide a price-support program for extra-long staple cotton. This bill will now be sent to the President. pp. H8023-4
8. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 18188, the Transportation Dept. appropriation bill, which includes funds for forest highways. This bill will now be sent to the President. pp. H7991-9, S9995-7
Both Houses agreed to the conference report on H. R. 17552, the Depts. of State, Justice, and Commerce, the judiciary, and related agencies appropriation bill, 1969. This bill will now be sent to the President. pp. H7999-8003, S10003-9
Received the conference report on H. R. 18706, the D. C. appropriation bill (H. Rept. 1841) pp. H8003-4
9. FISH AND WILDLIFE. Passed with amendments H. R. 11618, to prevent the importation of endangered species of fish and wildlife into the U. S., and to prevent the interstate shipment of reptiles, amphibians, and other wildlife taken contrary to State law. pp. H8024-9
10. RECREATION. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 15245, to establish the Flaming Gorge National Recreation Area, Utah and Wyo. p. D775
11. TAXATION. The Ways and Means Committee voted to report (but did not actually report) H. R. 14095, to make certain changes to facilitate the production of wine, and H. R. 17332, regarding taxes on gasoline and oils used for agricultural purposes. pp. D775-6
12. RECLAMATION. The conferees agreed to file a report on S. 1004, authorizing construction and operation of the central Arizona project, Ariz. and N. Mex. p. D776
13. FARM PROGRAM. Rep. Findley commended the subsidy payment-limitation amendment to the farm bill and recommended that Congress terminate the commodity management activities of this Dept., "especially Government buying, selling, and storage of grain." p. H8072

14. EDUCATION. Rep. Mink deplored the lapsing of funds for federally impacted school areas and called on her colleagues to join her in urging the President to reconsider the matter. pp. H8076-7
15. TRADE POLICY. Rep. Brown, Ohio, criticized the nation's trade policy and said we need to take necessary steps to correct the deficit in our balance-of-payments. pp. H8089-94
16. CONSUMERS. Rep. Patman praised and inserted the text of an article "Installment Credit and the Low-Income Consumer: A Case Study." pp. H8100-5
17. COOPERATIVES. Rep. Friedel inserted an editorial explaining the objectives of S. 752, the recently enacted so-called agricultural cooperative trucking bill. pp. H8107-8

SENATE

18. TRANSPORTATION. The Commerce Committee reported without amendment H. R. 159, to establish a Federal Maritime Administration as an independent agency (S. Rept. 1495). p. S9931
19. TAXATION. The Finance Committee reported with amendments H. R. 2767, to amend the Internal Revenue Code of 1954 to allow a farmer an amortized deduction from gross income for assessments for depreciable property levied by soil or water conservation or drainage districts (S. Rept. 1497). p. S9931
20. OCEANOGRAPHY. Both Houses received and the Senate agreed to the conference report on H. R. 13781, to authorize continuation of the sea-grant college program through fiscal 1969 and 1970 (H.Rept. 1837) (pp. S10017, H8061-2). Senate conferees agreed to the House language to authorize "not to exceed the sum of \$6 million" for fiscal 1969, and the House conferees agreed to the Senate language to authorize "not to exceed the sum of \$8 million" for fiscal 1970.
21. APPROPRIATIONS. Passed, 71-3, with amendments H. R. 18785, military construction appropriations (pp. S9958-77, S9979-94). This bill includes funds for payment to the Commodity Credit Corporation on the remaining indebtedness for housing constructed in foreign countries with foreign currencies derived from the sale of surplus commodities. Conferees were appointed (p. S9994). House conferees have not been appointed.
22. HEALTH. Conferees were appointed on H. R. 15758, to amend the Public Health Service Act to extend and improve the provisions relating to regional medical programs, to extend the authorization of grants for health of migratory agricultural workers, and to provide for specialized facilities for alcoholics and narcotic addicts (pp. S9994-5). House conferees have been appointed.
23. FLOOD CONTROL. Agreed to the conference report on S. 3710, to authorize the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes (pp. S9999-10002)

Campaign Expenditures: Adopted H. Res. 1239, to authorize a special committee to investigate and report on campaign expenditures of candidates for the House of Representatives, amended.

Pages H 8029—H 8030

Health Manpower Act: The House, by a record vote of 350 yeas, passed H.R. 15757, the Health Manpower Act, amended.

Subsequently vacated this passage and passed S. 3095 in lieu after amending the bill to contain the House-passed language.

Pages H 8030—H 8061

Presidential Message—Steel: Received and read a communication from the President regarding steel prices.

Page H 8061

Committee on Public Works: Adopted, by a record vote of 218 yeas to 107 nays, H. Res. 1247, to grant additional travel authority to the Committee on Public Works.

Pages H 8062—H 8065

Referral: One Senate-passed measure was referred to the appropriate committee.

Page H 8111

Quorum Call—Record Votes: One quorum call and three record votes developed during the proceedings of the House and appear on pages H7977, H7990, H8055—H8056, and H8065.

Program for Friday: Adjourned at 7:26 p.m. until Friday, August 2, 1968, at 11 a.m., when the House will consider the following bills:

H.R. 18209, to amend the Consolidated Farmers Home Administration Act (open rule, 1 hour of debate);

H.R. 17685, supplemental air transportation (open rule, 1 hour of debate); and

S. 633, the Foreign Service Information Officer Corps (open rule, 1 hour of debate).

Committee Meetings

REAL ESTATE ACQUISITIONS— HEALTH BENEFITS

Committee on Armed Services: Met in executive session and ordered reported to the House H.R. 18673, health-care benefits for certain surviving dependents, and approved Army real estate acquisition No. 132, and deferred action on Army real estate acquisition No. 137.

CRIME

Committee on the District of Columbia: Special Investigating Subcommittee held a hearing on crime in the District of Columbia. Testimony was heard from public witnesses.

NEAR EAST

Committee on Foreign Affairs: Subcommittee on Near East met in executive session and received a briefing on the Near East.

AIR TRAFFIC CONGESTION—CONSUMER PROBLEMS OF THE POOR

Committee on Government Operations: Subcommittee on Government Activities held a hearing on air traffic congestion. Testimony was heard from departmental and public witnesses.

The full committee met in executive session and approved the Special Studies Subcommittee report concerning the consumer problems of the poor—supermarket operations in low-income areas and the Federal response.

NATIONAL PARKS

Committee on Interior and Insular Affairs: Ordered reported to the House H.R. 14413, amended, acquisition and disposal of certain lands at Chickamauga and Chattanooga National Military Park, Ga.; and H.R. 15245, amended, to establish the Flaming Gorge National Recreation Area in the States of Utah and Wyoming.

CONSTRUCTION PERMITS

Committee on Interstate and Foreign Commerce: Special Subcommittee on Investigations continued hearings on the FCC approval of the acquisition and transfer of the five Overmyer UHF construction permits and related matters. Testimony was heard from members of the FCC.

ESSA

Committee on Merchant Marine and Fisheries: Held a hearing on H.R. 17993 and S. 2960, to provide for the appointment, promotion, separation, and retirement of commissioned officers of the Environmental Science Services Administration. Testimony was heard from departmental witnesses.

COMPENSATION—TAXES

Committee on Ways and Means: Met in executive session and ordered reported to the House the following bills:

H.R. 7567, amended, defines “compensation” regarding nonresident aliens;

H.R. 11408, amended, regarding Federal Government withholding Virginia and Maryland income taxes;

H.R. 15023, amended, increases to 20 or more years (now 10 or more) the period of time for the disposition of assets in the case of regulated investment companies furnishing capital for development;

H.R. 18101, amended, regarding recognition of gains and losses by collapsible corporations;

H.R. 18253, makes January 1, 1968, effective date of definition of “earned income” for self-employed individuals;

H.R. 18486, amended, regarding IRS treatment of income from the operation of a communications satellite system;

H.R. 14095, amended, liberalizes the requirements for wine production, and cellar treatment of natural wine, and the amelioration and sweetening limitations for natural grape wine under the Internal Revenue Code;

H.R. 17332, regarding taxes on gasoline and oils used for agricultural purposes;

H.R. 18942, relating to the income tax treatment of certain statutory mergers of corporations.

Joint Committee Meetings

GOVERNMENT EXPENDITURES

Joint Economic Committee: Subcommittee on Economy in Government continued its series of hearings on the application by Federal agencies of economic criteria and discounting procedures in evaluating alternative public expenditures, having as its witnesses Alain C. Enthoven, Assistant Secretary of Defense for Systems Analysis; Laurence E. Lynn, Deputy Assistant Secretary of Defense for Systems Analysis; M. Cecil Mackey, Assistant Secretary of Transportation for Policy Development; and Robert A. Levine, Assistant Director for Research, Plans, Programs, and Evaluation, Office of Economic Opportunity.

Hearings were recessed subject to call.

POULTRY INSPECTION

Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H.R. 16363, to authorize a more adequate program of poultry inspection in the U.S.

SEA-GRANT COLLEGES

Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H.R. 13781, authorizing funds for sea-grant colleges and ocean exploration.

APPROPRIATIONS—D.C.

Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H.R. 18706, fiscal 1969 appropriations for the District of Columbia.

CENTRAL ARIZONA PROJECT

Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of S. 1004, authorizing construction and operation of the central Arizona project, Arizona and New Mexico.

REDWOOD NATIONAL PARK

Conferees met, in executive session, to resolve the differences between the Senate- and House-passed versions of S. 2515, authorizing establishment of Redwood National Park, Calif., but did not reach final agreement, and will meet again on Wednesday, September 4.

MILITARY PROCUREMENT

Conferees continued, in executive session, to resolve the differences between the Senate- and House-passed ver-

sions of S. 3293, authorizing funds for military procurement for fiscal year 1969, but did not reach final agreement, and will meet again tomorrow.

FOREIGN AID

Conferees met, in executive session, to resolve the differences between the Senate- and House-passed versions of H.R. 15263, fiscal 1969 authorizations for the foreign aid program, but did not reach final agreement, and will meet again tomorrow.

BILLS SIGNED BY THE PRESIDENT

New Laws

(For last listing of public laws, see DIGEST, p. D769, July 31, 1968)

H.R. 12120, Juvenile Delinquency Prevention and Control Act. Signed July 31, 1968 (P.L. 90-445).

H.R. 10673, clarifying the term "stockyard" under the Packers and Stockyards Act of 1921. Signed July 31, 1968 (P.L. 90-446).

H.J. Res. 1420, making continuing appropriations through September 30, 1968. Signed July 31, 1968. (P.L. 90-447).

S. 3497, Housing and Urban Development Act of 1968. Signed August 1, 1968 (P.L. 90-448).

COMMITTEE MEETINGS FOR FRIDAY, AUGUST 2

(All meetings are open unless otherwise designated)
Senate

Committee on Interior and Insular Affairs, Subcommittee on Indian Affairs, on S. 2645, authorizing distribution of certain funds on deposit in the U.S. Treasury to the credit of the Arapahoe Tribe of the Wind River Reservation, to be followed by executive session to consider S. Con. Res. 11, calling for establishment of a national policy to promote improved conditions for American Indians and Alaska natives, 10 a.m., 3110 New Senate Office Building.

House

Committee on Foreign Affairs, Subcommittee on Africa, executive, to receive a briefing on Africa, 10 a.m., 2200 Rayburn House Office Building.

Committee on Interior and Insular Affairs, full committee, to continue consideration of S. 3058, to revise authorizations for Water Resources Planning Act, 9:45 a.m., 1324 Longworth House Office Building.

Committee on Post Office and Civil Service, full committee, executive, to consider H.R. 7406, Corps of Engineers allowance; H.R. 17954, Government employees payment inequities; and a clean bill regarding payment of overtime and standby pay to certain Department of Transportation employees, 10 a.m., 210 Cannon House Office Building.

Committee on Ways and Means, full committee, executive, to consider pending business, 10 a.m., committee room, Longworth House Office Building.

Joint Committees

Conferees, executive, on H.R. 15263, fiscal 1969 authorizations for the foreign aid program, 9:30 a.m., room S-116, Capitol.

Conferees, executive, on S. 3293, fiscal 1969 authorizations for military procurement, 10 a.m., room S-128, Capitol.

Sept 4, 1968

10. RECLAMATION. Received the conference report on S. 1004, to authorize the construction, operation, and maintenance of the central Arizona project, Arizona, N. Mex. (H. Rept. 1861). pp. H8231-9

The Interior and Insular Affairs Committee reported S. 224, to provide for the rehabilitation of the Eklutna project, Alaska (H. Rept. 1852). p. H8301

1. WATER RESOURCES. The Interior and Insular Affairs Committee reported with amendment S. 3058, to revise the authorization of appropriations for administering the provisions of the Water Resources Planning Act (H. Rept. 1858).
Received the conference report on S. 20, to provide for a comprehensive review of national water resource problems and programs (H. Rept. 1862). p. H8239
2. FARM PROGRAM. Rep. Findley objected to the request for a conference on H. R. 17126, the farm bill (p. H8257), and stated several reasons for his objection (pp. H8296-7).
3. REPORTS. Received from the Government Operations Committee the following reports: "U. S. Aid Operations in Latin America Under the Alliance for Progress" (H. Rept. 1849). "Criteria for Support Service Cost Comparisons" (H. Rept. 1850). "Problem of the Poor: Supermarket Operations in Low-income Areas and the Federal Response" (H. Rept. 1851). p. H8301
4. PERSONNEL. The Post Office and Civil Service Committee reported with amendment H. R. 17954, to correct certain inequities and relieve certain liabilities arising out of overpayments of compensation to Government employees as a result of administrative error in the application of certain provisions of the Classification Act of 1949, the Federal Employees Salary Act of 1964, and other provisions of law (H. Rept. 1863). p. H8302
5. MANPOWER. Began debate on H. R. 15045, to extend certain expiring provisions under the Manpower Development and Training Act of 1962. pp. H8241-2, H8246-57
6. APPROPRIATIONS. Rep. Mahon summarized the unfinished appropriations business and stated that when the foreign assistance and the closing supplemental bills are reported the House will have reduced budgeted expenditures for 1969 by a figure approaching \$4 billion. pp. H8239-40
7. APPLES. Rep. Horton announced preparations for the annual apple harvest festival next week in Wayne County, New York. pp. H8297-8

EXTENSION OF REMARKS

8. U. S.-MEXICAN AFFAIRS. Rep. Roybal commended and inserted the first annual report of the Federal Inter-Agency Committee on Mexican American Affairs. pp. E7629-33

19. FARM PRICES. Rep. Zwach stated that the "monthly USDA report on prices received by farmers in relation to farm costs reveal the deary news that the farm parity level remained frozen at near depression levels of 73 percent." p. E7638
20. FARM PROGRAM. Rep. Steed objected to a \$20,000 payment limitation on the farm bill. p. E7639
21. RECREATION. Rep. O'Hara, Mich., requested immediate establishment of Sleeping Bear Dunes Recreation Area before it becomes "another of America's lost conservation opportunities." pp. E7643-4
22. PESTICIDES. Rep. Dingell stated that the growing use of pesticides and herbicides poses a greater threat to fish and wildlife resources, and inserted an article, "DDT Moves with Runoff Waters." p. E7654
23. REPORTS. Several Representatives reported on recent activities of the Congress. pp. E7654-5, E7655-6, E7670-1, E7672
24. WATER CONSERVATION. Rep. Ullman inserted an article, "A Farmer's View--Water Need Call for Action." pp. E7660-1
Rep. Fuqua commended and inserted Hollis Williams', SCS, speech "as an outstanding speech on the organization and responsibilities of soil and water conservation districts." pp. E7663-4
25. MANPOWER. Rep. Scherle suggested that the manpower program needs a review and expressed his objection to the "administration of the program, and the lack of control and monitoring of expenditures." pp. E7665-6

BILLS INTRODUCED

26. FARM CREDIT. S. 3986 by Sen. Ellender and H. R. 19418 by Rep. Poage, to amend the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, to expedite retirement of Government capital from Federal intermediate credit banks, production credit associations and banks for cooperatives; to S. Agriculture and Forestry and H. Agriculture Committees.
27. PERSONNEL. H. R. 19411 by Rep. Baring, to provide for improved employee-management relations in the Federal service; to Post Office and Civil Service Committee.
H. R. 19421 by Rep. Fulton, Pa., to amend the Federal employees and retired Federal employees health benefits programs to insure that retired Federal employees do not have to pay twice for benefits which are provided both under such programs and under the health insurance program for the aged under the Social Security Act; to Post Office and Civil Service Committee.
28. FISHERIES. H. R. 19414 by Rep. Monagan, to extend the provisions of the Commerical Fisheries Research and Development Act of 1964; to the Merchant Marine and Fisheries Committee.

AUTHORIZING CONSTRUCTION, OPERATION, AND MAINTENANCE OF THE CENTRAL ARIZONA PROJECT, ARIZONA-NEW MEXICO

SEPTEMBER 4, 1968.—Ordered to be printed

Mr. ASPINALL, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 1004]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1004) entitled "An act to authorize the construction, operation, and maintenance of the Central Arizona project, Arizona-New Mexico, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill, and agree to the same with an amendment as follows:

In lieu of the matter inserted by the House amendment insert the following:

TITLE I—COLORADO RIVER BASIN PROJECT: OBJECTIVES

SEC. 101. That this Act may be cited as the "Colorado River Basin Project Act".

SEC. 102. (a) It is the object of this Act to provide a program for the further comprehensive development of the water resources of the Colorado River Basin and for the provision of additional and adequate water supplies for use in the upper as well as in the lower Colorado River Basin. This program is declared to be for the purposes, among others, of regulating the flow of the Colorado River; controlling floods; improving navigation; providing for the storage and delivery of the waters of the Colorado River for reclamation of lands, including supplemental water supplies, and for municipal, industrial, and other beneficial purposes; improving water quality; providing for basic public outdoor recreation facilities; improving conditions for fish and wildlife, and the generation and sale of electrical power as an incident of the foregoing purposes.

(b) *It is the policy of the Congress that the Secretary of the Interior (hereinafter referred to as the "Secretary") shall continue to develop, after consultation with affected States and appropriate Federal agencies, a regional water plan, consistent with the provisions of this Act and with future authorizations, to serve as the framework under which projects in the Colorado River Basin may be coordinated and constructed with proper timing to the end that an adequate supply of water may be made available for such projects, whether heretofore, herein, or hereafter authorized.*

TITLE II—INVESTIGATIONS AND PLANNING

SEC. 201. Pursuant to the authority set out in the Reclamation Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto, and the provisions of the Water Resources Planning Act of July 22, 1965, 79 Stat. 244, as amended, with respect to the coordination of studies, investigations and assessments, the Secretary of the Interior shall conduct full and complete reconnaissance investigations for the purpose of developing a general plan to meet the future water needs of the Western United States. Such investigations shall include the long-range water supply available and the long-range water requirements in each water resource region of the Western United States. Progress reports in connection with these investigations shall be submitted to the President, the National Water Commission (while it is in existence), the Water Resources Council, and to the Congress every two years. The first of such reports shall be submitted on or before June 30, 1971, and a final reconnaissance report shall be submitted not later than June 30, 1977: Provided, That for a period of ten years from the date of this Act, the Secretary shall not undertake reconnaissance studies of any plan for the importation of water into the Colorado River Basin from any other natural river drainage basin lying outside the States of Arizona, California, Colorado, New Mexico, and those portions of Nevada, Utah, and Wyoming which are in the natural drainage basin of the Colorado River.

SEC. 202. The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of this Act and authorized by the Congress. Accordingly, the States of the Upper Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which may have been imposed upon them by article III(c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican Water Treaty together with any losses of water associated with the performance of that treaty: Provided, That the satisfaction of the requirements of the Mexican Water Treaty (Treaty Series 994, 59 Stat. 1219), shall be from the waters of the Colorado River pursuant to the treaties, laws, and compacts presently relating thereto, until such time as a feasibility plan showing the most economical means of augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet shall be authorized by the Congress and is in operation as provided in this Act.

SEC. 203. (a) In the event that the Secretary shall, pursuant to section 201, plan works to import water into the Colorado River system from

sources outside the natural drainage areas of the system, he shall make provision for adequate and equitable protection of the interests of the States and areas of origin, including assistance from funds specified in this Act, to the end that water supplies may be available for use in such States and areas of origin adequate to satisfy their ultimate requirements at prices to users not adversely affected by the exportation of water to the Colorado River system.

(b) All requirements, present or future, for water within any State lying wholly or in part within the drainage area of any river basin from which water is exported by works planned pursuant to this Act shall have a priority of right in perpetuity to the use of the waters of that river basin, for all purposes, as against the uses of the water delivered by means of such exportation works, unless otherwise provided by interstate agreement.

SEC. 204. There are hereby authorized to be appropriated such sums as are required to carry out the purposes of this title.

TITLE III—AUTHORIZED UNITS: PROTECTION OF EXISTING USES

SEC. 301. (a) For the purposes of furnishing irrigation water and municipal water supplies to the water-deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary shall construct, operate, and maintain the Central Arizona Project, consisting of the following principal works: (1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system may have a capacity of 3,000 cubic feet per second or whatever lesser capacity is found to be feasible: Provided, That any capacity in the Granite Reef aqueduct in excess of 2,500 cubic feet per second shall be utilized for the conveyance of Colorado River water only when Lake Powell is full or releases of water are made from Lake Powell to prevent the reservoir from exceeding elevation 3,700 feet above mean sea level or when releases are made pursuant to the proviso in section 602(a)(3) of this Act: Provided further, That the costs of providing any capacity in excess of 2,500 cubic feet per second shall be repaid by those funds available to Arizona pursuant to the provision of subsection 403(f) of this Act, or by funds from sources other than the development fund; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so operated as not to prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in *United States against Gila Valley Irrigation District and others* (Globe Equity Numbered 59); (4) Hooker Dam and Reservoir or suitable alternative, which shall be constructed in such a manner as to give effect to the provisions of subsection (f) of section 304; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueducts; (8) related canals, regulating facilities, hydroelectric powerplants, and electrical transmission facilities required for the operation of said principal works; (9) related water distribution and drainage works; and (10) appurtenant works.

(b) Article II(B) (3) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient main stream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversions from the main stream for the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use by holders of present perfected rights, by other users in the State of California served under existing contracts with the United States by diversion works heretofore constructed, and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of mainstream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater than would have been imposed in the absence of this subsection 301(b). This subsection shall not affect the relative priorities, among themselves, of water users in Arizona, Nevada, and California which are senior to diversions for the Central Arizona Project, or amend any provisions of said decree.

(c) The limitation stated in subsection (b) of this section shall not apply so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada.

SEC. 302. (a) The Secretary shall designate the lands of the Salt River Pima-Maricopa Indian Community, Arizona, and the Fort McDowell-Apache Indian Community, Arizona, or interests therein, and any allotted lands or interests therein within said communities which he determines are necessary for use and occupancy by the United States for the construction, operation, and maintenance of Orme Dam and Reservoir, or alternative. The Secretary shall offer to pay the fair market value of the lands and interests designated, inclusive of improvements. In addition, the Secretary shall offer to pay toward the cost of relocating or replacing such improvements not to exceed \$500,000 in the aggregate, and the amount offered for the actual relocation or replacement of a residence shall not exceed the difference between the fair market value of the residence and \$8,000. Each community and each affected allottee shall have six months in which to accept or reject the Secretary's offer. If the Secretary's offer is rejected, the United States may proceed to acquire the property interests involved through eminent domain proceedings in the United States District Court for the District of Arizona under 40 U.S.C., sections 257 and 258a. Upon acceptance in writing of the Secretary's offer, or upon the filing of a declaration of taking in eminent domain proceedings, title to the lands or interests involved, and the right to possession thereof, shall vest in the United States. Upon a determination by the Secretary that all or any part of such lands or interests are no longer necessary for the purpose for which acquired, title to such lands or interests shall be restored to the appropriate community upon repayment to the Federal Government of the amounts paid by it for such lands.

(b) Title to any land or easement acquired pursuant to this section shall be subject to the right of the former owner to use or lease the land for purposes not inconsistent with the construction, operation, and maintenance

nance of the project, as determined by, and under terms and conditions prescribed by, the Secretary. Such right shall include the right to extract and dispose of minerals. The determination of fair market value under subsection (a) shall reflect the right to extract and dispose of minerals and all other uses permitted by this section.

(c) In view of the fact that a substantial portion of the lands of the Fort McDowell Mohave-Apache Indian Community will be required for Orme Dam and Reservoir, or alternative, the Secretary shall, in addition to the compensation provided for in subsection (a) of this section, designate and add to the Fort McDowell Indian Reservation twenty-five hundred acres of suitable lands in the vicinity of the reservation that are under the jurisdiction of the Department of the Interior in township 4 north, range 7 east; township 5 north, range 7 east; and township 3 north, range 7 east, Gila and Salt River base meridian, Arizona. Title to lands so added to the reservation shall be held by the United States in trust for the Fort McDowell Mohave-Apache Indian Community.

(d) Each community shall have a right, in accordance with plans approved by the Secretary, to develop and operate recreational facilities along the part of the shoreline of the Orme Reservoir located on or adjacent to its reservation, including land added to the Fort McDowell Reservation as provided in subsection (b) of this section, subject to rules and regulations prescribed by the Secretary governing the recreation development of the reservoir. Recreation development of the entire reservoir and federally owned lands under the jurisdiction of the Secretary adjacent thereto shall be in accordance with a master recreation plan approved by the Secretary. The members of each community shall have nonexclusive personal rights to hunt and fish on or in the reservoir without charge to the same extent they are now authorized to hunt and fish, but no community shall have the right to exclude others from the reservoir except by control of access through its reservation or any right to require payment by members of the public except for the use of community lands or facilities.

(e) All funds paid pursuant to this section, and any per capita distribution thereof, shall be exempt from all forms of State and Federal income taxes.

SEC. 303. (a) The Secretary is authorized and directed to continue to a conclusion appropriate engineering and economic studies and to recommend the most feasible plan for the construction and operation of hydroelectric generating and transmission facilities, the purchase of electrical energy, the purchase of entitlement to electrical plant capacity, or any combination thereof, including participation, operation, or construction by non-Federal entities, for the purpose of supplying the power requirements of the Central Arizona Project and augmenting the Lower Colorado River Basin Development Fund: Provided, That nothing in this section or in this Act contained shall be construed to authorize the study or construction of any dams on the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam.

(b) If included as a part of the recommended plan, the Secretary may enter into agreements with non-Federal interests proposing to construct thermal generating powerplants whereby the United States shall acquire the right to such portions of their capacity, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the operation of the Central Arizona Project. When not

required for the Central Arizona Project, the power and energy acquired by such agreements may be disposed of intermittently by the Secretary for other purposes at such prices as he may determine, including its marketing in conjunction with the sale of power and energy from Federal powerplants in the Colorado River system so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates. The agreements shall provide, among other things, that—

(1) the United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplants, and of any switchyards and transmission facilities serving the United States, as is represented by the ratios of the respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of preparation of designs and specifications, in such installments as will facilitate a timely construction schedule, but no funds other than for preconstruction activities shall be made available by the Secretary until he determines that adequate contractual arrangements have been entered into between all the affected parties covering land, water, fuel supplies, power (its availability and use), rights-of-way, transmission facilities and all other necessary matters for the thermal generating powerplants;

(2) annual operation and maintenance costs shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing clause (1): Provided, however, That the United States shall share on the foregoing basis in the depreciation component of such costs only to the extent of provision for depreciation on replacements financed by the non-Federal interests;

(3) the United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplants and appurtenances;

(4) costs to be borne by the United States under clauses (1) and (2) shall not include (a) interest and interest during construction, (b) financing charges, (c) franchise fees, and (d) such other costs as shall be specified in the agreement.

(c) No later than one year from the effective date of this Act, the Secretary shall submit his recommended plan to the Congress. Except as authorized by subsection (b) of this section, such plan shall not become effective until approved by the Congress.

(d) If any thermal generating plant referred to in subsection (b) of this section is located in Arizona, and if it is served by water diverted from the drainage area of the Colorado River system above Lee Ferry, other provisions of existing law to the contrary notwithstanding, such consumptive use of water shall be a part of the fifty thousand acre-feet per annum apportioned to the State of Arizona by article III(a) of the Upper Colorado River Basin Compact (63 Stat. 31).

SEC. 304. (a) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national

wildlife refuges, and, with the approval of the Secretary, State-administered wildlife management areas.

(b)(1) Irrigation and municipal and industrial water supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other arrangements whereby each such organization makes water from the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval, and the United States shall, if the Secretary determines such action is desirable to facilitate carrying out the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this clause (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

(2) Any obligation assumed pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9(e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(e)) may be on the basis of delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes.

(3) Contracts relating to municipal and industrial water supply under the Central Arizona Project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

(c) Each contract under which water is provided under the Central Arizona Project shall require that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings adequate in his judgment to prevent excessive conveyance losses; and (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the service area of a contractor receiving water from the Central Arizona Project for any use outside said contractor's service area unless the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required. Such

contracts shall be subordinate at all times to the satisfaction of all existing contracts between the Secretary and users in Arizona heretofore made pursuant to the Boulder Canyon Project Act (45 Stat. 1057).

(d) The Secretary may require in any contract under which water is provided from the Central Arizona Project that the contractor agree to accept main stream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (f) of this section: Provided, That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

(e) In times of shortage or reduction of main stream Colorado River water for the Central Arizona Project, as determined by the Secretary, users which have yielded water from other sources in exchange for main stream water supplied by that project shall have a first priority to receive main stream water, as against other users supplied by that project which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

(f)(1) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources in amounts that will permit consumptive use of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until, and shall continue only so long as, delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversion from the Gila River, its tributaries and underground water sources. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

(2) The Secretary shall further offer to contract with water users in New Mexico for water from the Gila River, its tributaries, and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of an additional thirty thousand acre-feet, including reservoir evaporation. Such further increases in consumptive use shall not begin until, and shall continue only so long as, works capable of augmenting the water supply of the Colorado River system have been completed and water sufficiently in excess of two million eight hundred thousand acre-feet per annum is available from the main stream of the Colorado River for consumptive use in Arizona to provide water for the exchanges herein authorized and provided. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

(3) All additional consumptive uses provided for in clauses (1) and (2) of this subsection shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District Court for

the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries, and underground water sources, and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

(g) For a period of ten years from the date of enactment of this Act, no water from the projects authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (52 Stat. 38), as amended (7 U.S.C. 1301), unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 305. To the extent that the flow of the main stream of the Colorado River is augmented in order to make sufficient water available for release, as determined by the Secretary pursuant to article II(b)(1) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340), to satisfy annual consumptive use of two million eight hundred thousand acre-feet in Arizona, four million four hundred thousand acre-feet in California, and three hundred thousand acre-feet in Nevada, respectively, the Secretary shall make such water available to users of main stream water in those States at the same costs (to the extent that such costs can be made comparable through the nonreimbursable allocation to the replenishment of the deficiencies occasioned by satisfaction of the Mexican Treaty burden as herein provided and financial assistance from the development fund established by section 403 of this Act) and on the same terms as would be applicable if main stream water were available for release in the quantities required to supply such consumptive use.

SEC. 306. The Secretary shall undertake programs for water salvage and ground water recovery along and adjacent to the main stream of the Colorado River. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary.

SEC. 307. The Dixie Project, heretofore authorized in the State of Utah, is hereby reauthorized for construction at the site determined feasible by the Secretary, and the Secretary shall integrate such project into the repayment arrangement and participation in the Lower Colorado River Basin Development Fund established by title IV of this Act consistent with the provisions of the Act: Provided, That section 8 of Public Law 88-565 (78 Stat. 848) is hereby amended by deleting the figure "\$42,700,000" and inserting in lieu thereof the figure "\$58,000,000".

SEC. 308. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the project works authorized pursuant to this title shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213), except as provided in section 302 of this Act.

SEC. 309. (a) There is hereby authorized to be appropriated for construction of the Central Arizona Project, including prepayment for power

generation and transmission facilities but exclusive of distribution and drainage facilities for non-Indian lands, \$832,180,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved therein and, in addition thereto, such sums as may be required for operation and maintenance of the project.

(b) There is also authorized to be appropriated \$100,000,000 for construction of distribution and drainage facilities for non-Indian lands. Notwithstanding the provisions of section 403 of this Act, neither appropriations made pursuant to the authorization contained in this subsection (b) nor revenues collected in connection with the operation of such facilities shall be credited to the Lower Colorado River Basin Development Fund and payments shall not be made from that fund to the general fund of the Treasury to return any part of the costs of construction, operation, and maintenance of such facilities.

TITLE IV—LOWER COLORADO RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS—CONTRACTS

SEC. 401. Upon completion of each lower basin unit of the project herein or hereafter authorized, or separate feature thereof, the Secretary shall allocate the total costs of constructing said unit or features to (1) commercial power, (2) irrigation, (3) municipal and industrial water supply, (4) flood control, (5) navigation, (6) water quality control, (7) recreation, (8) fish and wildlife, (9) the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by performance of the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), and (10) any other purposes authorized under the Federal reclamation laws. Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be nonreimbursable: Provided, That the nonreimbursable allocation shall be made on a pro rata basis to be determined by the ratio between the amount of water required to comply with the Mexican Water Treaty and the total amount of water by which the Colorado River is augmented pursuant to the investigations authorized by title II of this Act and any future Congressional authorization. The repayment of costs allocated to recreation and fish and wildlife enhancement shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213): Provided, That all of the separable and joint costs allocated to recreation and fish and wildlife enhancement as a part of the Dixie project, Utah, shall be nonreimbursable. Costs allocated to nonreimbursable purposes shall be nonreturnable under the provisions of this Act.

SEC. 402. The Secretary shall determine the repayment capability of Indian lands within, under, or served by any unit of the project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 564; 25 U.S.C. 386a), and such costs

that are beyond repayment capability of such lands shall be nonreimbursable.

SEC. 403. (a) There is hereby established a separate fund in the Treasury of the United States to be known as the Lower Colorado River Basin Development Fund (hereafter called the "development fund"), which shall remain available until expended as hereafter provided.

(b) All appropriations made for the purpose of carrying out the provisions of title III of this Act shall be credited to the development fund as advances from the general fund of the Treasury, and shall be available for such purpose.

(c) There shall also be credited to the development fund—

(1) all revenues collected in connection with the operation of facilities authorized in title III in furtherance of the purposes of this Act (except entrance, admission, and other recreation fees or charges and proceeds received from recreation concessionaires), including revenues which, after completion of payout of the Central Arizona Project as required herein are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said project;

(2) any Federal revenues from the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of the said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of those projects: Provided, however, That the Secretary is authorized and directed to continue the in-lieu-of-tax payments to the States of Arizona and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon project; and

(3) any Federal revenues from that portion of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona which, after completion of repayment requirements of the said part of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said portion of the Pacific Northwest-Pacific Southwest intertie and related facilities.

(d) All moneys collected and credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section shall be available, without further appropriation, for—

(1) defraying the costs of operation, maintenance, and replacements of, and emergency expenditures for, all facilities of the projects, within such separate limitations as may be included in annual appropriation Acts; and

(2) payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 304(f) of this Act.

(e) Revenues credited to the development fund shall not be available for construction of the works comprised within any unit of the project herein or hereafter authorized except upon appropriation by the Congress.

(f) Moneys credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section in excess of the amount necessary to meet the requirements of clauses (1) and (2) of subsection (d) of this section shall be paid annually to the general fund of the Treasury to return—

(1) the costs of each unit of the projects or separable feature thereof authorized pursuant to title III of this Act which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act within a period not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law: Provided, That return of the cost, if any, required by section 307 shall not be made until after the payout period of the Central Arizona Project as authorized herein; and

(2) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance with the provisions of subsection (h) of this section, and interest due shall be a first charge.

(g) All revenues credited to the development fund in accordance with clause (c)(2) of this section (excluding only those revenues derived from the sale of power and energy for use in Arizona during the payout period of the Central Arizona Project as authorized herein) and such other revenues as remain in the development fund after making the payments required by subsections (d) and (f) of this section shall be available (1) to make payments, if any, as required by sections 307 and 502 of this Act, and (2) upon appropriation by the Congress, to assist in the repayment of reimbursable costs incurred in connection with units hereafter constructed to provide for the augmentation of the water supplies of the Colorado River for use below Lee Ferry as may be authorized as a result of the investigations and recommendations made pursuant to section 201 and subsection 203(a) of this Act.

(h) The interest rate applicable to those portions of the reimbursable costs of each unit of the project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such unit, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

(i) Business-type budgets shall be submitted to the Congress annually for all operations financed by the development fund.

SEC. 404. On January 1 of each year the Secretary shall report to the Congress, beginning with the fiscal year ending June 30, 1969, upon the status of the revenues from and the cost of constructing, operating, and maintaining each lower basin unit of the project for the preceding fiscal year. The report of the Secretary shall be prepared to reflect accurately the Federal investment allocated at that time to power, to irrigation, and to other purposes, the progress of return and repayment thereon, and the estimated rate of progress, year by year, in accomplishing full repayment.

TITLE V—UPPER COLORADO RIVER BASIN: AUTHORIZATIONS AND REIMBURSEMENTS

SEC. 501. (a) In order to provide for the construction, operation, and maintenance of the Animas-La Plata Federal reclamation project Colorado-New Mexico; the Dolores, Dallas Creek, West Divide, and San Miguel Federal reclamation projects, Colorado; and the Central Utah project (Uintah unit), Utah, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), and to provide for the completion of planning reports on other participating projects, clause (2) of section 1 of said Act is hereby further amended by (i) inserting the words "and the Uintah unit" after the word "phase" within the parenthesis following "Central Utah", (ii) deleting the words "Pine River Extension" and inserting in lieu thereof the words "Animas-La Plata, Dolores, Dallas Creek, West Divide, San Miguel", (iii) adding after the words "Smith Fork:" the proviso "Provided, That construction of the Uintah unit of the Central Utah project shall not be undertaken by the Secretary until he has completed a feasibility report on such unit and submitted such report to the Congress along with his certification that, in his judgment, the benefits of such unit or segment will exceed the costs and that such unit is physically and financially feasible, and the Congress has authorized the appropriation of funds for the construction thereof:". Section 2 of said Act is hereby further amended by (i) deleting the words "Parshall, Troublesome, Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers Extension, Animas-La Plata", and inserting after the words "Yellow Jacket" the words "Basalt, Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomichi Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units)"; (ii) by inserting after the word "Sublette" the words "(including a diversion of water from the Green River to the North Platte River Basin in Wyoming), Ute Indian unit of the Central Utah Project, San Juan County (Utah), Price River, Grand County (Utah), Gray Canyon, and Juniper (Utah)"; and (iii) changing the period after "projects" to a colon and adding the following proviso: "Provided, That the planning report for the Ute Indian unit of the Central Utah participating project shall be completed on or before December 31, 1974, to enable the United States of America to meet the commitments heretofore made to the Ute Indian Tribe of the Uintah and Ouray Indian Reservation under the agreement dated September 20, 1965 (Contract Numbered 14-06-W-194)". The amount which section 12 of said Act authorizes to be appropriated is hereby further increased by the sum of \$392,000,000, plus or minus such amounts, if any, as may be required, by reason of changes in construction costs as indicated by engineering cost indices applicable to the type of construction involved. This additional sum shall be available solely for the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel projects herein authorized.

(b) The Secretary is directed to proceed as nearly as practicable with the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel participating Federal reclamation projects concurrently with the construction of the Central Arizona Project, to the end that such projects shall be completed not later than the date of the

first delivery of water from said Central Arizona Project: Provided, That an appropriate repayment contract for each of said participating projects shall have been executed as provided in section 4 of the Colorado River Storage Project Act (70 Stat. 107) before construction shall start on that particular project.

(c) The Animas-La Plata Federal reclamation project shall be constructed and operated in substantial accordance with the engineering plans set out in the report of the Secretary transmitted to the Congress on May 4, 1966, and printed as House Document 436, Eighty-ninth Congress: Provided, That construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

“ANIMAS-LA PLATA PROJECT COMPACT

“The State of Colorado and the State of New Mexico, in order to implement the operation of the Animas-La Plata Federal Reclamation Project, Colorado-New Mexico, a proposed participating project under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620) and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and have agreed upon the following articles:

“ARTICLE I

“A. The right to store and divert water in Colorado and New Mexico from the La Plata and Animas River systems, including return flow to the La Plata River from Animas River diversions, for uses in New Mexico under the Animas-La Plata Federal Reclamation Project shall be valid and of equal priority with those rights granted by decree of the Colorado state courts for the uses of water in Colorado for that project, providing such uses in New Mexico are within the allocation of water made to that state by articles III and XIV of the Upper Colorado River Basin Compact (63 Stat. 31).

“B. The restrictions of the last sentence of Section (a) of Article IX of the Upper Colorado River Basin Compact shall not be construed to vitiate paragraph A of this article.

“ARTICLE II

“This Compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States.”

(d) The Secretary shall, for the Animas-La Plata, Dolores, Dallas Creek, San Miguel, West Divide, and Seedska-dee participating projects of the Colorado River storage project, establish the nonexcess irrigable acreage for which any single ownership may receive project water at one hundred and sixty acres of class 1 land or the equivalent thereof, as determined by the Secretary, in other land classes.

(e) In the diversion and storage of water for any project or any parts thereof constructed under the authority of this Act or the Colorado River Storage Project Act within and for the benefit of the State of Colorado only, the Secretary is directed to comply with the constitution and statutes of the State of Colorado relating to priority of appropriation; with State and Federal court decrees entered pursuant thereto; and with operating principles, if any, adopted by the Secretary and approved by the State of Colorado.

(f) The words "any western slope appropriations" contained in paragraph (i) of that section of Senate Document Numbered 80, Seventy-fifth Congress, first session, entitled "Manner of Operation of Project Facilities and Auxiliary Features", shall mean and refer to the appropriation heretofore made for the storage of water in Green Mountain Reservoir, a unit of the Colorado-Big Thompson Federal reclamation project, Colorado; and the Secretary is directed to act in accordance with such meaning and reference. It is the sense of Congress that this directive defines and observes the purpose of said paragraph (i), and does not in any way affect or alter any rights or obligations arising under said Senate Document Numbered 80 or under the laws of the State of Colorado.

SEC. 502. The Upper Colorado River Basin Fund established under section 5 of the Colorado River Storage Project Act (70 Stat. 107; 43 U.S.C. 620d) shall be reimbursed from the Colorado River Development Fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a) for the money expended heretofore or hereafter from the Upper Colorado River Basin Fund to meet deficiencies in generation at Hoover Dam during the filling period of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose, \$500,000 for each year of operation of Hoover Dam and powerplant, commencing with fiscal year 1970, shall be transferred from the Colorado River Development Fund to the Upper Colorado River Basin Fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin Fund from the Lower Colorado River Basin Development Fund, as provided in subsection (g) of section 403.

TITLE VI—GENERAL PROVISIONS: DEFINITIONS: CONDITIONS

SEC. 601. (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), the decree entered by the Supreme Court of the United States in Arizona against California and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a) or the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620).

(b) The Secretary is directed to—

(1) make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1970. Such reports shall include a detailed breakdown of the beneficial consumptive use of water on a State-by-State basis. Specific figures on quantities consumptively used from the major tributary streams flowing into the Colorado River shall also be included on a State-by-State basis. Such reports shall be prepared in consultation

with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and to the Governors of each State signatory to the Colorado River Compact; and

(2) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River Compact.

(c) All Federal officers and agencies are directed to comply with the applicable provisions of this Act, and of the laws, treaty, compacts, and decree referred to in subsection (a) of this section, in the storage and release of water from all reservoirs and in the operation and maintenance of all facilities in the Colorado River system under the jurisdiction and supervision of the Secretary, and in the operation and maintenance of all works which may be authorized hereafter for the augmentation of the water supply of the Colorado River system. In the event of failure of any such officer or agency to so comply, any affected State may maintain an action to enforce the provisions of this section in the Supreme Court of the United States and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

SEC. 602. (a) In order to comply with and carry out the provisions of the Colorado River Compact, the Upper Colorado River Basin Compact, and the Mexican Water Treaty, the Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River Storage Project Act, the Boulder Canyon Project Act, and the Boulder Canyon Project Adjustment Act. To effect in part the purposes expressed in this paragraph, the criteria shall make provision for the storage of water in storage units of the Colorado River storage project and releases of water from Lake Powell in the following listed order of priority:

(1) releases to supply one-half the deficiency described in article III(c) of the Colorado River Compact, if any such deficiency exists and is chargeable to the States of the Upper Division, but in any event such releases, if any, shall not be required in any year that the Secretary makes the determination and issues the proclamation specified in section 202 of this Act;

(2) releases to comply with article III(d) of the Colorado River Compact, less such quantities of water delivered into the Colorado River below Lee Ferry to the credit of the States of the Upper Division from other sources; and

(3) storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three Lower Division States and taking into consideration all relevant factors (including, but not limited to, historic stream-flows, the most critical period of record, and probabilities of water supply), shall find this to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River Compact: Provided, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the Lower Division to the uses specified in article III(e) of the Colorado River Compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as

nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

(b) Not later than January 1, 1970, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the Governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than July 1, 1970, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1972, and yearly thereafter, the Secretary shall transmit to the Congress and to the Governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the Governors of the seven Colorado River Basin States and appropriate consultation with such State representatives as each Governor may designate.

(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

SEC. 603. (a) Rights of the upper basin to the consumptive use of water available to that basin from the Colorado River system under the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin.

(b) Nothing in this Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission.

SEC. 604. Except as otherwise provided in this Act, in constructing, operating, and maintaining the units of the projects herein and hereafter authorized, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

SEC. 605. Part I of the Federal Power Act (41 Stat. 1063; 16 U.S.C. 791a-823) shall not be applicable to the reaches of the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam until and unless otherwise provided by Congress.

SEC. 606. As used in this Act, (a) all terms which are defined in the Colorado River Compact shall have the meanings therein defined;

(b) "Main stream" means the main stream of the Colorado River downstream from Lee Ferry within the United States, including the reservoirs thereon;

(c) "User" or "water user" in relation to main stream water in the lower basin means the United States or any person or legal entity entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), to use main stream water when available thereunder;

(d) "Active storage" means that amount of water in reservoir storage exclusive of bank storage, which can be released through the existing reservoir outlet works;

(e) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming;

(f) "Western United States" means those states lying wholly or in part west of the Continental Divide; and

(g) "Augment" or "augmentation", when used herein with reference to water, means to increase the supply of the Colorado River or its tributaries by the introduction of water into the Colorado River system, which is in addition to the natural supply of the system.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill.

And the House agree to the same.

WAYNE N. ASPINALL,
HAROLD T. JOHNSON,
ED EDMONDSON,
MORRIS K. UDALL,
CRAIG HOSMER,
LAURENCE J. BURTON,

Managers on the Part of the House.

HENRY M. JACKSON,
CLINTON P. ANDERSON,
FRANK CHURCH,
ERNEST GRUENING,
CARL HAYDEN,
THOMAS H. KUCHEL,
GORDON ALLOTT,
LEN B. JORDAN,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House on the disagreeing votes of the two Houses on the amendment of the House to the bill, S. 1004, to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes, submit this statement in explanation of the effect of the language recommended and adopted in the accompanying conference report.

The committee of conference adopted the form of the House amendment and for the most part the House language. The differences between the language of the House amendment and language agreed to in conference are explained herein along with other matters involved in the legislation which warrant comment or require clarification.

TITLE I—COLORADO RIVER BASIN PROJECT: OBJECTIVES

A short title for this legislation is cited in the Senate version of S. 1004 as the "Central Arizona Project Act" and in the House amendment as the "Colorado River Basin Project Act." The House language was adopted by the committee of conference. The committee of conference also adopted the remainder of title I of the House amendment, none of which is in the Senate version of S. 1004.

The statement of the objective of this legislation and the establishment of congressional policy with respect to meeting the long-range water needs of the Colorado River Basin, as set forth in this title, combined with the planning directive set out in title II clearly give to the Secretary of the Interior the authority and the responsibility for planning the best possible use of this Nation's water resources west of the Continental Divide and for meeting the future water needs of our 11 Western States.

TITLE II—INVESTIGATIONS AND PLANNING

The language in this title is not in S. 1004 as passed by the Senate, and the major difference between the conference report and the House amendment occurs in this title.

Out of the deliberations of the committee of conference in connection with this title came a completely new section 201 which, for the first time, provides for coordinated Federal water planning on a westwide basis.

Section 201 in the House amendment called for a series of investigations and studies to be conducted by the Secretary of the Interior in connection with the long-range water needs in the Colorado River Basin and the availability of water to meet these needs. The Secretary would have been required, by the House amendment, to prepare reconnaissance reports covering all of the matters listed for study and

to submit such reports to the President and the Congress not later than June 30, 1973. In addition, he would have been required to prepare a feasibility report on a plan which shows the most economical means of augmenting the water supply in the Colorado River by 2½ million acre-feet annually and to submit this report to the Congress not later than January 1, 1975.

The language developed by the committee of conference as a substitute for section 201 of the House amendment directs the Secretary of the Interior to conduct full and complete reconnaissance investigations for the purpose of developing a general plan to meet the future water needs of the Western United States, a term which is defined in title VI of the conference report as those States lying wholly or in part west of the Continental Divide. The investigations and development of the plan are to be in accordance with reclamation law, and the studies, investigations, and assessments of water availability must be coordinated with other water planning activities being conducted under the Water Resources Planning Act. The purpose of the reference to the Water Resources Planning Act is to assure cooperation and coordination among all Federal agencies, affected States, and study commissions established pursuant to the Planning Act and to eliminate possible duplication in the overall water resources planning effort. The reference to the Planning Act does not, of course, subject the Secretary of the Interior to the prohibition in that act against the study of transbasin transfers of water.

It is intended that the Secretary initiate this westwide planning effort by determining the water supplies available and the long-range water requirements in each water resource region of the Western United States. When this phase of the study is completed, the Secretary can then proceed with investigations to determine the most economical means of augmenting the water supply of the Colorado River in order to serve the most critical water-short area of our Nation. When the water needs of the Colorado River Basin and the time schedule therefor have been established, all possible sources of water must be considered, including water conservation and salvage, weather modification, desalination, and importation from areas of surplus. However, for a period of 10 years from the date of this act, the Secretary cannot undertake studies of any plan for importation of water into the Colorado River Basin from any other drainage basin lying outside the States of Arizona, California, Colorado, New Mexico, and those portions of Nevada, Utah, and Wyoming which are in the natural drainage basin of the Colorado River. As the studies proceed, the Secretary is required to submit progress reports every 2 years and to submit, not later than June 30, 1977, a completed reconnaissance report on water supplies and water requirements for the entire 11 Western States area as well as the possibilities of augmentation from within the Colorado River Basin States. Both the progress reports and the final reconnaissance report are to be submitted to the President, the National Water Commission (while it is in existence), the Water Resources Council, and the Congress.

The investigations and studies under this title do not end with submission of this initial report in 1977. This is only the first phase. It is intended that, following the completion of this phase of the investigations and studies, the Secretary shall continue, pursuant to existing authority, to pursue vigorously the stated objective of section

201 which is to develop a general plan to meet the future water needs of the entire Western United States. He is expected to make such recommendations with respect to feasibility studies as are justified and appropriate, including feasibility studies of augmentation opportunities within the Colorado River Basin States. Also, it is intended that the Secretary, when the 10-year moratorium on studies of importation from outside the Colorado Basin States comes to an end, will conduct such additional reconnaissance investigations as are justified of importation from outside the Colorado River Basin States and make such recommendations with respect to feasibility studies as are warranted. He will do this pursuant to existing authority and in the light of the investigations and studies he has completed up to that time.

The importance to the central Arizona project and to the entire West of the westwide water planning provided for in this legislation cannot be overemphasized. While there is disagreement with respect to time, the cold fact remains that eventually the water supply for the central Arizona project from mainstream Colorado River water will be reduced to less than 300,000 acre-feet annually unless augmentation becomes a reality.

The remainder of the language in title II adopted by the committee of conference is the language of the House amendment with one minor clarifying change. Section 202 warrants special mention. This section is a congressional declaration that satisfaction of the water requirements of the Mexican Water Treaty constitutes a national obligation which shall be the first charge against any augmentation project. It relieves both the upper basin and the lower basin from the Colorado River compact requirement covering deliveries of water to Mexico at such time as the Secretary of the Interior determines and proclaims that means are available and in operation for delivering annually into the Colorado River system sufficient water to satisfy the Mexican Treaty water requirements together with associated losses. A further provision in the House amendment made such relief to the Colorado River Basin States contingent upon the authorization of a plan to augment the Colorado River water supply by 2½ million acre-feet annually. This provision is retained in the conference version of S. 1004 which, however, adds clarifying language to indicate that such plan has not only to be authorized but also to be in operation to the extent of providing the additional water necessary to satisfy the Mexican Water Treaty requirements.

The declaration that satisfaction of Mexican Treaty water requirements constitutes a national obligation carries with it a nonreimbursable allocation of the costs of providing the necessary water or replacement for such water. The authority for this allocation on a nonreimbursable basis is included in title IV of the conference report, and clarifying language adopted by the committee of conference with respect to it is explained in this statement under title IV.

Section 203 of the conference report is language from the House amendment which provides the fullest possible protection to States and areas of origin in the event of transbasin diversions of water.

TITLE III—AUTHORIZED UNITS: PROTECTION OF EXISTING USES

The second most important difference between the language adopted by the committee of conference and the House amendment occurs in section 301 in connection with the capacity of the Granite Reef aqueduct, the main conduit for conveying water from the Colorado River to the central Arizona project service area. The Senate version of S. 1004 provides for a capacity of "not less than 3,000 cubic feet per second." The House amendment provides for a capacity of "not to exceed 2,500 cubic feet per second." The language adopted by the committee of conference authorizes a capacity of "3,000 cubic feet per second or whatever lesser capacity is found to be feasible." The conference language is intended to fix the capacity at 3,000 cubic feet per second if this is the desire and decision of the State of Arizona and it can be shown that an aqueduct of this capacity is economically justified and financially feasible.

The committee of conference added two qualifying provisions in connection with the aqueduct capacity. The first provides that any capacity in the aqueduct in excess of 2,500 cubic feet per second shall be utilized for the conveyance of Colorado River water only when Lake Powell is full or releases of water are made from Lake Powell to prevent the reservoir from exceeding elevation 3,700 feet above mean sea level, or when releases from Lake Powell are made under article III(e) of the Colorado River compact at times when the active storage in Lake Powell is not less than the active storage in Lake Mead. Releases of article III(e) water is of lower priority than storage of water in Lake Powell to fully protect and assure all prospective annual consumptive uses in the upper basin under the compact. Thus, the upper basin States are given assurance that any capacity in the aqueduct in excess of 2,500 cubic feet per second will not be used so as to impair in any way upper basin rights and uses under the Colorado River compact.

The second qualifying provision in connection with the aqueduct capacity requires that the cost of any capacity in excess of 2,500 cubic feet per second must be repaid either from central Arizona project revenues, from that portion of the Lower Colorado River Basin development fund which, pursuant to subsection 403(f), is available to assist the central Arizona project, or from sources other than the development fund. This provision makes it clear that the cost of any capacity in excess of 2,500 cubic feet per second shall not be an obligation against that part of the development fund which is dedicated to assisting the future construction of augmentation works.

Except for the difference in the capacity of the aqueduct, the plan of development and the plan of operation for the central Arizona project as set forth in the conference report is unchanged as compared with the House amendment. The conference report retains the provision in the House amendment which gives California 4.4 million acre-feet of water annually with a priority over central Arizona project water when there is less than 7.5 million acre-feet of main stream Colorado River water released annually for use in Arizona, California, and Nevada. The Secretary must recognize this priority in the administration of the U.S. Supreme Court decree in *Arizona v. California*. The priority given California uses in the Senate version of S. 1004 was limited to 27 years. Arizona and its representatives on

the committee of conference agreed to accept the House version in view of the fact that it called for assumption of the Mexican Treaty water requirement as a national obligation.

The committee of conference was made aware of the disagreement of the Pima Indians with the Globe Equity Decree No. 59 and their concern over the mention of this decree in connection with the operation of Buttes Dam and Reservoir. The mention of this decree in this legislation is not intended to constitute congressional ratification or approval of the stipulated portions thereof or to enhance or impair any Gila River water rights.

Section 302 of the conference report relates to the acquisition of the Indian lands that are needed for construction of the Orme Dam and Reservoir. This section was not in the Senate version of S. 1004. The committee of conference adopted the language of the House amendment with two changes. The House amendment provided that if lands purchased from the Indian communities cease to be needed for the Orme Dam and Reservoir, or alternative, they should be restored to the community. The committee of conference added a requirement making restoration of the title contingent upon repayment by the communities of the amount paid by the Government for the purchase of the lands.

The other change relates to the fair market value of the Indian lands acquired by the Government. The language of the House amendment provided that the fair market value of the Indian lands acquired shall reflect the value of the right retained by the Indians to extract minerals, but not the value of any other uses permitted under section 302. The committee of conference took the position that the value of those other uses should also be considered when determining fair market value, and amended the House amendment accordingly. Those other uses include the right of the Indians to use or lease the lands for purposes not inconsistent with the project, the right to develop and operate recreational facilities on the lands, and the right to hunt and fish without charge.

Section 303 of the conference report establishes the procedure for meeting the pumping power requirements of the central Arizona project. It is the language of the House amendment with minor changes. It directs the Secretary to continue studies of ways and means of supplying the pumping power for the central Arizona project and of augmenting the Lower Colorado River Basin development fund, and it authorizes the "prepurchase" plan for meeting the pumping power requirements if this plan is determined by the Secretary to be feasible and in the best interest of the Federal Government. The committee of conference adopted minor language changes to permit the Secretary to acquire the right to powerplant capacity in more than one location if such a procedure should prove to be desirable.

In section 303(b)(1) the committee of conference substituted "contractual arrangements" for "contracts" to indicate that all of the required contracts in final form do not necessarily have to be completed and executed before any Federal funds are made available to start paying the Government's share of the cost of generators and other major equipment that require considerable time for delivery. For the purpose of this section the placing of orders for such equipment can be considered preconstruction activities. It is recognized that it may require as much as 2 years to complete execution of all the contracts,

and it is not intended that the other participants have to bear the Government's share of progress payments during this period or that purchases be held up. Letters of intent or other suitable understandings which commit all parties to participation in the undertakings are deemed adequate to permit the United States to make such payments for equipment as are due under the provisions of this legislation and for which funds have been appropriated.

The committee of conference also modified the language of subsection 303(b)(2), which relates to operation and maintenance costs of the powerplants, to make it clear that the United States will share depreciation cost only on such replacements as might be financed entirely by the non-Federal interests.

Subsection 303(b) authorizes the Secretary to dispose of power and energy acquired under the "prepurchase" plan when such power and energy is not required for project purposes. A proviso in section 14 of the Senate version of S. 1004 relating to the disposition of this excess power and energy was eliminated by the committee of conference as surplusage since the sale or disposition of power or energy acquired pursuant to section 303 and surplus to the requirements of the central Arizona project will be in accordance with the provisions of section 9 of the act of August 4, 1939 (53 Stat. 1193), as amended. We believe this to be in accord not only with the Secretary's testimony before the House and Senate committees but with the "Summary Report, Central Arizona Project With Federal Prepayment and Power Arrangements, dated February 1967," and will not limit the Secretary in his use and disposition of the prepurchase capacity for project purposes or other purposes authorized by this act.

The limitation in section 303(d) on the source of water for any thermal electric plant located in Arizona is not intended to preclude the Secretary from making, under existing laws, short-term sales of surplus water, which would otherwise be wasted below Lee Ferry, for the purpose of generating electric energy in a coal-fired plant in Arizona. Neither is this language of section 303(d) intended to impair in any way existing rights to water from the 50,000 acre-feet apportioned to Arizona by the Upper Colorado River Compact.

Section 304 of the conference report deals with the furnishing of water from the central Arizona project. The conference committee adopted one subsection from the Senate version of S. 1004 which is not in the House amendment. This is subsection (g) which relates to surplus crops and prohibits, for a period of 10 years from the date of enactment, the delivery of project water for the production on newly irrigated lands of any basic agricultural commodity which is in surplus supply as determined by the provisions of the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 unless increased production is called for in the interest of national security.

Sections 305, 306, 307, and 308 of the conference report are identical to language in the House amendment.

Section 309 of the conference report places a ceiling of \$832,180,000 (subject to adjustment to reflect changes in price indexes) on the amount authorized to be appropriated for construction of the central Arizona project. The increase of roughly \$53 million over the amount included in the House amendment is for the purpose of constructing the Granite Reef aqueduct with a capacity of 3,000 cubic feet per second rather than 2,500 cubic feet per second. It is the intention of

the committee of conference that, if this additional capacity or any part thereof is not constructed, the amount authorized to be appropriated is to be reduced accordingly.

TITLE IV—LOWER COLORADO RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS: CONTRACTS

Section 401 of the conference report provides for allocation among the project purposes of project costs, including the costs of future units and augmentation works. It is the language of the House amendment with additional clarifying language in connection with the nonreimbursable allocation to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty. The new language adopted by the committee of conference provides that this nonreimbursable allocation shall be made on a pro rata basis to be determined by the ratio between the amount of water required to comply with the Mexican Water Treaty and the total amount of water by which the Colorado River is augmented pursuant to the investigations authorized by title II of the act and any future congressional authorization. This language is intended to prevent a disproportionate share of the cost of any augmentation program from having to be borne by the taxpayers of the Nation. Under this new language, if a plan is authorized for augmenting the water supply available in the Colorado River by 2½ million acre-feet (the estimated amount necessary to satisfy annual consumptive use of 7,500,000 acre-feet of main stream Colorado River Water in Arizona, California, and Nevada and, thus, the amount most urgently needed and the amount contemplated for the initial augmentation program throughout the consideration of this legislation) and if it is assumed that 1.8 million acre-feet are required to comply with the Mexican Water Treaty, then eighteen twenty-fifths of the cost of such a plan would be nonreimbursable and seven-twenty-fifths of the cost would have to be repaid. However, should augmentation works be authorized to make available only increments of water within the amount required to comply with the Mexican Water Treaty, as would likely be the case should desalination be found to be the most economical means of augmentation, the total cost of such works would be nonreimbursable. On the other hand, should the investigations authorized by title II lead to authorization of a plan for augmenting the water available in the Colorado River by, say 8 million acre-feet through importation from an area of surplus, the nonreimbursable allocation would be limited to eighteen-eightieths of the total cost of the plan.

The committee of conference adopted the remainder of the language of title IV in the House amendment. The Lower Colorado River Basin development fund is established and dedicated to assist the future construction of augmentation works and construction of the central Arizona and Dixie projects. Financial assistance to the central Arizona project from the development fund, other than project revenues, is limited to those revenues accruing to the development fund from the Pacific Northwest-Pacific Southwest intertie and those revenues from the Hoover-Parker-Davis power operations derived from the sale of power and energy for use in Arizona.

TITLE V—UPPER COLORADO RIVER BASIN: AUTHORIZATIONS AND REIMBURSEMENTS

Title V of the conference report deals with development in the Upper Colorado River Basin. The committee of conference adopted the language of the House amendment with minor clarifying changes.

Section 501 authorizes the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel projects in the Upper Colorado River Basin as participating projects under the Colorado River Storage Project Act, and authorizes the appropriation of \$392 million (subject to adjustment to reflect changes in prices) for the construction of these five projects. The Uintah unit of the central Utah project is conditionally authorized, with construction contingent upon completion and submission to the Congress of a feasibility report along with the certification by the Secretary that the unit is economically justified and is physically and financially feasible. The committee of conference added language to make it clear that the Uintah unit cannot be undertaken until Congress has authorized the appropriation of funds for its construction.

The committee of conference adopted the language of the House amendment with respect to subsection 501(b) relating to concurrent construction of five upper basin reclamation projects with construction of the central Arizona project. The intention of the language is to require the Secretary, in construction of the five upper basin projects, to plan and accomplish preconstruction and construction activities in such a manner that each of the five projects will be capable of operation not later than the date of first delivery of Colorado River water to water users under the central Arizona project, assuming that appropriate repayment contracts have been executed in accordance with the terms of section 4 of the Colorado River Storage Project Act (70 Stat. 107) before construction begins. Not all of the projects will require the same length of time for construction. Therefore, in order to carry out the intent of the language it will be necessary for the Secretary to adjust the dates of initiation of construction of each project, within limitations of appropriation acts, in order that the five upper basin projects will become operational within the period required for construction and initiation of operation of the central Arizona project. The attainment of this objective can resolve one of the major facets of the ages-old conflict over use of Colorado River water. Thus, by providing for concurrent construction of these projects, the committee is also expressing its desire that they be adequately funded through support of the executive branch and appropriations of moneys by the Congress.

The language of subsection 501(e) of the House amendment was adopted by the committee of conference after consideration at some length. The committee of conference was made aware of the fact that this language is intended to resolve sectional differences within the State of Colorado. It is in the legislation at the specific request of Colorado and for the specific purpose of assuring the people of the State of Colorado that the water laws of that State with respect to priority of appropriation will be complied with. The language provides that in the administration of projects authorized by this act or by the Colorado River Storage Project Act that are within and for the sole

benefit of Colorado, the Secretary must comply with the laws of Colorado with respect to priority of appropriation and with respect to Federal and State court decrees entered pursuant to such laws in the diversion and storage of water. The committee of conference understands this requirement to mean that diversion and storage rights for these projects will be junior to existing rights recognized under Colorado law. This is merely a reaffirmation of the rule of law that would apply in any event. The Secretary is also directed to comply with any operating principles approved by the State which he may adopt for these projects. The Secretary is not required, however, to adopt any operating principles. This language is not intended to interfere with the executive discretion of the Secretary in contracting for the sale and distribution of water.

Section 502 deals with the financial problems created by the filling of Lake Powell and the resulting impairment of firm power production at Hoover Dam. The committee of conference adopted the language of the House amendment with one change to make it clear that the annual transfer of \$500,000 to the Upper Colorado River Basin fund from the Colorado River development fund starts with fiscal year 1970.

TITLE VI—GENERAL PROVISIONS: DEFINITIONS: CONDITIONS

The language of title VI relates primarily to the reservoir operating criteria for Hoover and Glen Canyon Dams. The committee of conference adopted the language of the House amendment with two minor changes.

Section 601(b) requires the Secretary to make reports at 5-year intervals showing consumptive uses and losses of water from the Colorado River system. The committee of conference added language which requires that such reports include a detailed breakdown of the beneficial consumptive use of water and specific figures on quantities consumptively used from the major tributary streams flowing into the Colorado River on a State-by-State basis.

The committee of conference was fully aware of the long and arduous negotiations among the seven Colorado River Basin States with respect to the reservoir operating criteria set out in section 602 and of the importance of these operating criteria toward finally settling the disputes which have long existed between the two basins. The language expressed in this title, which is in both the House amendment and S. 1004 as passed by the Senate, constitutes a fair and reasonable solution of the problem of protecting the future water resources development of the four upper division States and also providing for the use of the water in the lower division States until the water is required upstream, thus resulting in the greatest beneficial use of the available water.

Sections 603, 604, and 605 of the conference report are identical to language in the House amendment. Section 605 prohibits any licensing by the Federal Power Commission on the Colorado River between Hoover Dam and Glen Canyon Dam until and unless authorized by the Congress.

In section 606, which defines certain terms used in the act, the committee of conference added language defining "Western United

States" as those States lying wholly or in part west of the Continental Divide.

WAYNE N. ASPINALL,
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Managers on the Part of the House.



point to be thoroughly familiar with all the details of legislation emanating from the committee. He was outspoken and never hesitated to expose weaknesses and errors in proposals when he realized their rejection would be necessary, but he never lost a friend in defeating unwise amendments.

The retirement of John Vorys left a vacuum on the Foreign Affairs Committee that could not really be filled because of the unique qualifications of personality and background which made him a truly great member. There are countless occasions when, as chairman, I wished I could still have had John with us during floor debate on important bills. Long before his retirement, however, John suffered from a lung ailment which he bore uncomplainingly.

He remained cheerful and as active as his health would permit until his sudden turn for the worse a few weeks ago. I was distressed and saddened to learn of his passing and extend my most heartfelt condolences to his dear wife and family. In the departure from life of so great an American, his family's loss is also the loss of all of us.

GENERAL LEAVE TO EXTEND

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life, character, and service of the late Honorable John M. Vorys.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

APPOINTMENT OF CONFEREES ON S. 827, NATIONWIDE SYSTEM OF TRAILS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 827) to establish a nationwide system of trails, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? The Chair hears none, and appoints the following conferees: Messrs. ASPINALL, TAYLOR, JOHNSON of California, SAYLOR, and SKUBITZ.

CENTRAL ARIZONA PROJECT

Mr. ASPINALL submitted the following conference report and statement on the bill (S. 1004) to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 1861)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1004) entitled "An act to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered to the text of the bill, and agree to the same with an amendment as follows: In lieu of the matter inserted by the House amendment insert the following:

"TITLE I—COLORADO RIVER BASIN PROJECT: OBJECTIVES

"SEC. 101. That this Act may be cited as the 'Colorado River Basin Project Act'.

"SEC. 102. (a) It is the object of this Act to provide a program for the further comprehensive development of the water resources of the Colorado River Basin and for the provision of additional and adequate water supplies for use in the upper as well as in the lower Colorado River Basin. This program is declared to be for the purposes, among others, of regulating the flow of the Colorado River; controlling floods; improving navigation; providing for the storage and delivery of the waters of the Colorado River for reclamation of lands, including supplemental water supplies, and for municipal, industrial, and other beneficial purposes; improving water quality; providing for basic public outdoor recreation facilities; improving conditions for fish and wildlife, and the generation and sale of electrical power as an incident of the foregoing purposes.

"(b) It is the policy of the Congress that the Secretary of the Interior (hereinafter referred to as the 'Secretary') shall continue to develop, after consultation with affected States and appropriate Federal agencies, a regional water plan, consistent with the provisions of this Act and with future authorizations, to serve as the framework under which projects in the Colorado River Basin may be coordinated and constructed with proper timing to the end that an adequate supply of water may be made available for such projects, whether heretofore, herein, or hereafter authorized.

"TITLE II—INVESTIGATIONS AND PLANNING

"SEC. 201. Pursuant to the authority set out in the Reclamation Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto, and the provisions of the Water Resources Planning Act of July 22, 1965, 79 Stat. 244, as amended, with respect to the coordination of studies, investigations and assessments, the Secretary of the Interior shall conduct full and complete reconnaissance investigations for the purpose of developing a general plan to meet the future water needs of the Western United States. Such investigations shall include the long-range water supply available and the long-range water requirements in each water resource region of the Western United States. Progress reports in connection with these investigations shall be submitted to the President, the National Water Commission (while it is in existence), the Water Resources Council, and to the Congress every two years. The first of such reports shall be submitted on or before June 30, 1971, and a final reconnaissance report, shall be submitted not later than June 30, 1977: *Provided*, That for a period of ten years from the date of this Act, the Secretary shall not undertake reconnaissance studies of any plan for the importation of water into the Colorado River Basin from any other natural river drainage basin lying outside the States of Arizona, California, Colorado, New Mexico, and those portions of Nevada, Utah, and Wyoming which are in the natural drainage basin of the Colorado River.

"SEC. 202. The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of this Act and authorized by the Con-

gress. Accordingly, the States of the Upper Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which may have been imposed upon them by article III(c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican Water Treaty together with any losses of water associated with the performance of that treaty: *Provided*, That the satisfaction of the requirements of the Mexican Water Treaty (Treaty Series 994, 59 Stat. 1219), shall be from the waters of the Colorado River pursuant to the treaties, laws, and compacts presently relating thereto, until such time as a feasibility plan showing the most economical means of augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet shall be authorized by the Congress and is in operation as provided in this Act.

"SEC. 203. (a) In the event that the Secretary shall, pursuant to section 201, plan works to import water into the Colorado River system from sources outside the natural drainage areas of the system, he shall make provision for adequate and equitable protection of the interests of the States and areas of origin, including assistance from funds specified in this Act, to the end that water supplies may be available for use in such States and areas of origin adequate to satisfy their ultimate requirements at prices to users not adversely affected by the exportation of water to the Colorado River system.

"(b) All requirements, present or future, for water within any State lying wholly or in part within the drainage area of any river basin from which water is exported by works planned pursuant to this Act shall have a priority of right in perpetuity to the use of the waters of that river basin, for all purposes, as against the uses of the water delivered by means of such exportation works, unless otherwise provided by Interstate agreement.

"SEC. 204. There are hereby authorized to be appropriated such sums as are required to carry out the purposes of this title.

"TITLE III—AUTHORIZED UNITS: PROTECTION OF EXISTING USES

"SEC. 301. (a) For the purposes of furnishing irrigation water and municipal water supplies to the water-deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary shall construct, operate, and maintain the Central Arizona Project, consisting of the following principal works: (1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system may have a capacity of 3,000 cubic feet per second or whatever lesser capacity is found to be feasible: *Provided*, That any capacity in the Granite Reef aqueduct in excess of 2,500 cubic feet per second shall be utilized for the conveyance of Colorado River water only when Lake Powell is full or releases of water are made from Lake Powell to prevent the reservoir from exceeding elevation 3,700 feet above mean sea level or when releases are made pursuant to the proviso in section 602(a) (3) of this Act: *Provided further*, That the costs of providing any capacity in excess of 2,500 cubic feet per second shall be repaid by those funds available to Arizona pursuant to the provision of subsection 403(f) of this Act, or by funds from sources other than

the development fund; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so operated as not to prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59); (4) Hooker Dam and Reservoir or suitable alternative, which shall be constructed in such a manner as to give effect to the provisions of subsection (f) of section 304; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueduct; (8) related canals, regulating facilities, hydroelectric powerplants, and electrical transmission facilities required for the operation of said principal works; (9) related water distribution and drainage works; and (10) appurtenant works.

"(b) Article 11(B)(3) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient main stream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversions from the main stream for the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use by holders of present perfected rights, by other users in the State of California served under existing contracts with the United States by diversion works heretofore constructed, and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of mainstream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater than would have been imposed in the absence of this subsection 301(b). This subsection shall not affect the relative priorities among themselves, of water users in Arizona, Nevada, and California which are senior to diversions for the Central Arizona Project, or amend any provisions of said decree.

"(c) The limitation stated in subsection (b) of this section shall not apply so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada.

"Sec. 302. (a) The Secretary shall designate the lands of the Salt River Pima-Maricopa Indian Community, Arizona, and the Fort McDowell-Apache Indian Community, Arizona, or interests therein, and any allotted lands or interests therein within said communities which he determines are necessary for use and occupancy by the United States for the construction, operation, and maintenance of Orme Dam and Reservoir, or alternative. The Secretary shall offer to pay the fair market value of the lands and interests designated, inclusive of improvements. In addition, the Secretary shall offer to pay toward the cost of relocating or replacing such improvements not to exceed \$500,000 in the aggregate, and the amount offered for the actual relocation or replacement of a residence shall not exceed the difference between the fair market value of the residence and \$8,000. Each community and each affected allottee shall have six months in which to accept or reject the Secretary's offer. If the Secretary's offer is rejected, the United States may proceed to acquire the property interests involved

through eminent domain proceedings in the United States District Court for the District of Arizona under 40 U.S.C., sections 257 and 258a. Upon acceptance in writing of the Secretary's offer, or upon the filing of a declaration of taking in eminent domain proceedings, title to the lands or interests involved, and the right to possession thereof, shall vest in the United States. Upon a determination by the Secretary that all or any part of such lands or interests are no longer necessary for the purpose for which acquired, titled to such lands or interests shall be restored to the appropriate community upon repayment to the Federal Government of the amounts paid by it for such lands.

"(b) Title to any land or easement acquired pursuant to this section shall be subject to the right of the former owner to use or lease the land for purposes not inconsistent with the construction, operation, and maintenance of the project, as determined by, and under terms and conditions prescribed by, the Secretary. Such right shall include the right to extract and dispose of minerals. The determination of fair market value under subsection (a) shall reflect the right to extract and dispose of minerals and all other uses permitted by this section.

"(c) In view of the fact that a substantial portion of the lands of the Fort McDowell Mohave-Apache Indian Community will be required for Orme Dam and Reservoir, or alternative, the Secretary shall, in addition to the compensation provided for in subsection (a) of this section, designate and add to the Fort McDowell Indian Reservation twenty-five hundred acres of suitable lands in the vicinity of the reservation that are under the jurisdiction of the Department of the Interior in township 4 north, range 7 east; township 5 north, range 7 east; and township 3 north, range 7 east, Gila and Salt River base meridian, Arizona. Title to lands so added to the reservation shall be held by the United States in trust for the Fort McDowell Mohave-Apache Indian Community.

"(d) Each community shall have a right, in accordance with plans approved by the Secretary, to develop and operate recreational facilities along the part of the shoreline of the Orme Reservoir located on or adjacent to its reservation, including land added to the Fort McDowell Reservation as provided in subsection (b) of this section, subject to rules and regulations prescribed by the Secretary governing the recreation development to its reservation, including land added to the entire reservoir and federally owned lands under the jurisdiction of the Secretary adjacent thereto shall be in accordance with a master recreation plan approved by the Secretary. The members of each community shall have nonexclusive personal rights to hunt and fish on or in the reservoir without charge to the same extent they are now authorized to hunt and fish, but no community shall have the right to exclude others from the reservoir except by control of access through its reservation or any right to require payment by members of the public except for the use of community lands or facilities.

"(e) All funds paid pursuant to this section, and any per capita distribution thereof, shall be exempt from all forms of State and Federal income taxes.

"Sec. 303. (a) The Secretary is authorized and directed to continue to a conclusion appropriate engineering and economic studies and to recommend the most feasible plan for the construction and operation of hydroelectric generating and transmission facilities, the purchase of electrical energy, the purchase of entitlement to electrical plant capacity, or any combination thereof, including participation, operation, or construction by non-Federal entities, for the purpose of supplying the power requirements of the

Central Arizona Project and augmenting the Lower Colorado River Basin Development Fund: *Provided*, That nothing in this section or in this Act contained shall be construed to authorize the study or construction of any dams on the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam.

"(b) If included as a part of the recommended plan, the Secretary may enter into agreements with non-Federal interests proposing to construct thermal generating powerplants whereby the United States shall acquire the right to such portions of their capacity, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the operation of the Central Arizona Project. When not required for the Central Arizona Project, the power and energy acquired by such agreements may be disposed of intermittently by the Secretary for other purposes at such prices as he may determine, including its marketing in conjunction with the sale of power and energy from Federal powerplants in the Colorado River system so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates. The agreements shall provide, among other things, that—

"(1) the United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplants, and of any switchyards and transmission facilities serving the United States, as is represented by the ratios of the respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of preparation of designs and specifications, in such installments as will facilitate a timely construction schedule, but no funds other than for preconstruction activities shall be made available by the Secretary until he determines that adequate contractual arrangements have been entered into between all the affected parties covering land, water, fuel supplies, power (its availability and use), rights-of-way, transmission facilities and all other necessary matters for the thermal generating powerplants;

"(2) annual operation and maintenance costs shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing clause (1): *Provided, however*, That the United States shall share on the foregoing basis in the depreciation component of such costs only to the extent of provision for depreciation on replacements financed by the non-Federal interests;

"(3) the United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplants and appurtenances;

"(4) costs to be borne by the United States under clauses (1) and (2) shall not include (a) interest and interest during construction, (b) financing charges, (c) franchise fees, and (d) such other costs as shall be specified in the agreement.

"(c) No later than one year from the effective date of this Act, the Secretary shall submit his recommended plan to the Congress. Except as authorized by subsection (b) of this section, such plan shall not become effective until approved by the Congress.

"(d) If any thermal generating plant referred to in subsection (b) of this section is located in Arizona, and if it is served by water diverted from the drainage area of the Colorado River system above Lee Ferry, other provisions of existing law to the contrary notwithstanding, such consumptive

use of water shall be a part of the fifty thousand acre-feet per annum apportioned to the State of Arizona by article III(a) of the Upper Colorado River Basin Compact (63 Stat. 31).

"Sec. 304. (a) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges, and, with the approval of the Secretary, State-administered wildlife management areas.

"(b) (1) Irrigation and municipal and industrial water supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other arrangements whereby each such organization makes water from the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval, and the United States shall, if the Secretary determines such action is desirable to facilitate carrying out the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this clause (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

"(2) Any obligation assumed pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9(e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(e)) may be on the basis of delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes.

"(3) Contracts relating to municipal and industrial water supply under the Central Arizona Project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

"(c) Each contract under which water is provided under the Central Arizona Project shall require that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings adequate in his judgment to prevent excessive conveyance losses; and (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the

service area of a contractor receiving water from the Central Arizona Project for any use outside said contractor's service area unless the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required. Such contracts shall be subordinate at all times to the satisfaction of all existing contracts between the Secretary and users in Arizona heretofore made pursuant to the Boulder Canyon Project Act (45 Stat. 1057).

"(d) The Secretary may require in any contract under which water is provided from the Central Arizona Project that the contractor agree to accept main stream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (f) of this section: *Provided*, That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

"(e) In times of shortage or reduction of main stream Colorado River water for the Central Arizona Project, as determined by the Secretary, users which have yielded water from other sources in exchange for main stream water supplied by that project shall have a first priority to receive main stream water, as against other users supplied by that project which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

"(f) (1) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources in amounts that will permit consumptive use of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until, and shall continue only so long as, delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversion from the Gila River, its tributaries and underground water sources. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

"(2) The Secretary shall further offer to contract with water users in New Mexico for water from the Gila River, its tributaries, and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of an additional thirty thousand acre-feet, including reservoir evaporation. Such further increases in consumptive use shall not begin until, and shall continue only so long as, works capable of augmenting the water supply of the Colorado River system have been completed and water sufficiently in excess of two million eight hundred thousand acre-feet per annum is available from the main stream of the Colorado River for consumptive use in Arizona to provide water for the exchanges herein authorized and provided. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

"(3) All additional consumptive uses provided in clauses (1) and (2) of this subsection shall be subject to all rights in New

Mexico and Arizona as established by the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries, and underground water sources, and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

"(g) For a period of ten years from the date of enactment of this Act, no water from the projects authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b) (10) of the Agricultural Adjustment Act of 1938 (52 Stat. 38), as amended (7 U.S.C. 1301), unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

"Sec. 305. To the extent that the flow of the main stream of the Colorado River is augmented in order to make sufficient water available for release, as determined by the Secretary pursuant to article II(b) (1) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340), to satisfy annual consumptive use of two million eight hundred thousand acre-feet in Arizona, four million four hundred thousand acre-feet in California, and three hundred thousand acre-feet in Nevada, respectively, the Secretary shall make such water available to users of main stream water in those States at the same costs (to the extent that such costs can be made comparable through the nonreimbursable allocation to the replenishment of the deficiencies occasioned by satisfaction of the Mexican Treaty burden as herein provided and financial assistance from the development fund established by section 403 of this Act) and on the same terms as would be applicable if main stream water were available for release in the quantities required to supply such consumptive use.

"Sec. 306. The Secretary shall undertake programs for water salvage and ground water recovery along and adjacent to the main stream of the Colorado River. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary.

"Sec. 307. The Dixie Project, heretofore authorized in the State of Utah, is hereby reauthorized for construction at the site determined feasible by the Secretary, and the Secretary shall integrate such project into the repayment arrangement and participation in the Lower Colorado River Basin Development Fund established by title IV of this Act consistent with the provisions of the Act: *Provided*, That section 8 of Public Law 88-565 (78 Stat. 848) is hereby amended by deleting the figure '\$42,700,000' and inserting in lieu thereof the figure '\$58,000,000'.

"Sec. 308. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the project works authorized pursuant to this title shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213), except as provided in section 302 of this Act.

"Sec. 309. (a) There is hereby authorized to be appropriated for construction of the Central Arizona Project, including prepayment for power generation and transmission facilities but exclusive of distribution

and drainage facilities for non-Indian lands, \$832,180,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved therein and, in addition thereto, such sums as may be required for operation and maintenance of the project.

"(b) There is also authorized to be appropriated \$100,000,000 for construction of distribution and drainage facilities for non-Indian lands. Notwithstanding the provisions of section 403 of this Act, neither appropriations made pursuant to the authorization contained in this subsection (b) nor revenues collected in connection with the operation of such facilities shall be credited to the Lower Colorado River Basin Development Fund and payments shall not be made from that fund to the general fund of the Treasury to return any part of the costs of construction, operation, and maintenance of such facilities.

"TITLE IV—LOWER COLORADO RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS: CONTRACTS

"SEC. 401. Upon completion of each lower basin unit of the project herein or hereafter authorized, or separate feature thereof, the Secretary shall allocate the total costs of constructing said unit or features to (1) commercial power, (2) irrigation, (3) municipal and industrial water supply, (4) flood control, (5) navigation, (6) water quality control, (7) recreation, (8) fish and wildlife, (9) the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by performance of the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), and (10) any other purposes authorized under the Federal reclamation laws. Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be nonreimbursable: *Provided*, That the nonreimbursable allocation shall be made on a pro rata basis to be determined by the ratio between the amount of water required to comply with the Mexican Water Treaty and the total amount of water by which the Colorado River is augmented pursuant to the investigations authorized by title II of this Act and any future Congressional authorization. The repayment of costs allocated to recreation and fish and wildlife enhancement shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213): *Provided*, That all of the separable and joint costs allocated to recreation and fish and wildlife enhancement as a part of the Dixie project, Utah, shall be nonreimbursable. Costs allocated to nonreimbursable purposes shall be nonreturnable under the provisions of this Act.

"SEC. 402. The Secretary shall determine the repayment capability of Indian lands within, under, or served by any unit of the project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 564; 25 U.S.C. 386a), and such costs that are beyond repayment capability of such lands shall be nonreimbursable.

"SEC. 403. (a) There is hereby established a separate fund in the Treasury of the United States to be known as the Lower Colorado River Basin Development Fund (hereafter called the 'development fund'), which shall

remain available until expended as hereafter provided.

"(b) All appropriations made for the purpose of carrying out the provisions of title III of this Act shall be credited to the development fund as advances from the general fund of the Treasury, and shall be available for such purpose.

"(c) There shall also be credited to the development fund—

"(1) all revenues collected in connection with the operation of facilities authorized in title III in furtherance of the purposes of this Act (except entrance, admission, and other recreation fees or charges and proceeds received from recreation concessionaires), including revenues which, after completion of payout of the Central Arizona Project as required herein are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said project;

"(2) any Federal revenues from the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of the said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of those projects: *Provided, however*, That the Secretary is authorized and directed to continue the in-lieu-of-tax payments to the States of Arizona and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon project; and

"(3) any Federal revenues from that portion of the Pacific Northwest-Pacific Southwest Intertie located in the States of Nevada and Arizona which, after completion of repayment requirements of the said part of the Pacific Northwest-Pacific Southwest Intertie located in the States of Nevada and Arizona, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said portion of the Pacific Northwest-Pacific Southwest Intertie and related facilities.

"(d) All moneys collected and credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section shall be available, without further appropriation, for—

"(1) defraying the costs of operation, maintenance, and replacements of, and emergency expenditures for, all facilities of the projects, within such separate limitations as may be included in annual appropriation Acts; and

"(2) payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 304(f) of this Act.

"(e) Revenues credited to the development fund shall not be available for construction of the works comprised within any unit of the project herein or hereafter authorized except upon appropriation by the Congress.

"(f) Moneys credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section in excess of the amount necessary to meet the requirements of clauses (1) and (2) of subsection (d) of this section shall be paid annually to the general fund of the Treasury to return—

"(1) the costs of each unit of the projects or separable feature thereof authorized

pursuant to title III of this Act which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act within a period not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law: *Provided*, That return of the cost, if any, required by section 307 shall not be made until after the payout period of the Central Arizona Project as authorized herein; and

"(2) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance with the provisions of subsection (h) of this section, and interest due shall be a first charge.

"(g) All revenues credited to the development fund in accordance with clause (c) (2) of this section (excluding only those revenues derived from the sale of power and energy for use in Arizona during the payout period of the Central Arizona Project as authorized herein) and such other revenues as remain in the development fund after making the payments required by subsections (d) and (f) of this section shall be available (1) to make payments, if any, as required by sections 307 and 502 of this Act, and (2) upon appropriation by the Congress, to assist in the repayment of reimbursable costs incurred in connection with units hereafter constructed to provide for the augmentation of the water supplies of the Colorado River for use below Lee Ferry as may be authorized as a result of the investigations and recommendations made pursuant to section 201 and subsection 203 (a) of this Act.

"(h) The interest rate applicable to those portions of the reimbursable costs of each unit of the project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such unit, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

"(i) Business-type budgets shall be submitted to the Congress annually for all operations financed by the development fund.

"SEC. 404. On January 1 of each year the Secretary shall report to the Congress, beginning with the fiscal year ending June 30, 1969, upon the status of the revenues from and the cost of constructing, operating, and maintaining each lower basin unit of the project for the preceding fiscal year. The report of the Secretary shall be prepared to reflect accurately the Federal investment allocated at that time to power, to irrigation, and to other purposes, the progress of return and repayment thereon, and the estimated rate of progress, year by year, in accomplishing full repayment.

"TITLE V—UPPER COLORADO RIVER BASIN: AUTHORIZATIONS AND REIMBURSEMENTS

"SEC. 501. (a) In order to provide for the construction, operation, and maintenance of the Animas-La Plata Federal reclamation project, Colorado-New Mexico; the Dolores, Dallas Creek, West Divide, and San Miguel Federal reclamation projects, Colorado; and the Central Utah project (Uintah unit), Utah, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), and to provide for the completion of planning reports on other participating projects, clause (2) of section 1 of said Act is hereby further amended by (1) inserting the words 'and the Uintah unit'

after the word 'phase' within the parenthesis following 'Central Utah', (ii) deleting the words 'Pine River Extension' and inserting in lieu thereof the words 'Animas-La Plata, Dolores, Dallas Creek, West Divide, San Miguel', (iii) adding after the words 'Smith Fork:' the proviso 'Provided, That construction of the Uintah unit of the Central Utah project shall not be undertaken by the Secretary until he has completed a feasibility report on such unit and submitted such report to the Congress along with his certification that, in his judgment, the benefits of such unit or segment will exceed the costs and that such unit is physically and financially feasible, and the Congress has authorized the appropriation of funds for the construction thereof.' Section 2 of said Act is hereby further amended by (i) deleting the words 'Parshall, Troublesome, Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers Extension, Animas-La Plata', and inserting after the words 'Yellow Jacket' the words 'Basalt, Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomichi Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units)'; (ii) by inserting after the word 'Sublette' the words '(including a diversion of water from the Green River to the North Platte River Basin in Wyoming), Ute Indian unit of the Central Utah Project, San Juan County (Utah), Price River, Grand County (Utah), Gray Canyon, and Juniper (Utah)'; and (iii) changing the period after 'projects' to a colon and adding the following proviso: 'Provided, That the planning report for the Ute Indian unit of the Central Utah participating project shall be completed on or before December 31, 1974, to enable the United States of America to meet the commitments heretofore made to the Ute Indian Tribe of the Uintah and Ouray Indian Reservation under the agreement dated September 20, 1965 (Contract Numbered 14-06-W-194)'. The amount which section 12 of said Act authorizes to be appropriated is hereby further increased by the sum of \$392,000,000, plus or minus such amounts, if any, as may be required, by reason of changes in construction costs as indicated by engineering cost indices applicable to the type of construction involved. This additional sum shall be available solely for the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel projects herein authorized.

"(b) The Secretary is directed to proceed as nearly as practicable with the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel participating Federal reclamation projects concurrently with the construction of the Central Arizona Project, to the end that such projects shall be completed not later than the date of the first delivery of water from said Central Arizona Project: *Provided*, That an appropriate repayment contract for each of said participating projects shall have been executed as provided in section 4 of the Colorado River Storage Project Act (70 Stat. 107) before construction shall start on that particular project.

"(c) The Animas-La Plata Federal reclamation project shall be constructed and operated in substantial accordance with the engineering plans set out in the report of the Secretary transmitted to the Congress on May 4, 1966, and printed as House Document 436, Eighty-ninth Congress: *Provided*, That construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

" 'ANIMAS-LA PLATA PROJECT COMPACT

"The State of Colorado and the State of New Mexico, in order to implement the operation of the Animas-La Plata Federal Reclamation Project, Colorado-New Mexico, a proposed participating project under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620) and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and have agreed upon the following articles:

" 'ARTICLE I

"A. The right to store and divert water in Colorado and New Mexico from the La Plata and Animas River systems, including return flow to the La Plata River from Animas River diversions, for uses in New Mexico under the Animas-La Plata Federal Reclamation Project shall be valid and of equal priority with those rights granted by decree of the Colorado state courts for the uses of water in Colorado for that project, providing such uses in New Mexico are within the allocation of water made to that state by articles III and XIV of the Upper Colorado River Basin Compact (63 Stat. 31).

"B. The restrictions of the last sentence of Section (a) of Article IX of the Upper Colorado River Basin Compact shall not be construed to vitiate paragraph A of this article.

" 'ARTICLE II

"This Compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States."

"(d) The Secretary shall, for the Animas-La Plata, Dolores, Dallas Creek, San Miguel, West Divide, and Seedskadee participating projects of the Colorado River storage project, establish the nonexcess irrigable acreage for which any single ownership may receive project water at one hundred and sixty acres of class 1 land or the equivalent thereof, as determined by the Secretary, in other land classes.

"(e) In the diversion and storage of water for any project or any parts thereof constructed under the authority of this Act or the Colorado River Storage Project Act within and for the benefit of the State of Colorado only, the Secretary is directed to comply with the constitution and statutes of the State of Colorado relating to priority of appropriation; with State and Federal court decrees entered pursuant thereto; and with operating principles, if any, adopted by the Secretary and approved by the State of Colorado.

"(f) The words 'any western slope appropriations' contained in paragraph (i) of that section of Senate Document Numbered 80, Seventy-fifth Congress, first session, entitled 'Manner of Operation of Project Facilities and Auxiliary Features', shall mean and refer to the appropriation heretofore made for the storage of water in Green Mountain Reservoir, a unit of the Colorado-Big Thompson Federal reclamation project, Colorado; and the Secretary is directed to act in accordance with such meaning and reference. It is the sense of Congress that this directive defines and observes the purpose of said paragraph (i), and does not in any way affect or alter any rights or obligations arising under said Senate Document Numbered 80 or under the laws of the State of Colorado.

"Sec. 502. The Upper Colorado River Basin Fund established under section 5 of the Colorado River Storage Project Act (70 Stat. 107; 43 U.S.C. 620d) shall be reimbursed from the Colorado River Development Fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a) for the money expended heretofore or hereafter from the Upper Colorado River Basin Fund to meet deficiencies in generation at Hoover Dam during the filling

period of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose, \$500,000 for each year of operation of Hoover Dam and powerplant, commencing with fiscal year 1970, shall be transferred from the Colorado River Development Fund to the Upper Colorado River Basin Fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin Fund from the Lower Colorado River Basin Development Fund, as provided in subsection (g) of section 403.

"TITLE VI—GENERAL PROVISIONS: DEFINITIONS: CONDITIONS

"SEC. 601. (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), the decree entered by the Supreme Court of the United States in Arizona against California and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a), or the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620).

"(b) The Secretary is directed to—

"(1) make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1970. Such reports shall include a detailed breakdown of the beneficial consumptive use of water on a State-by-State basis. Specific figures on quantities consumed from the major tributary streams flowing into the Colorado River shall also be included on a State-by-State basis. Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and to the Governors of each State signatory to the Colorado River Compact; and

"(2) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River Compact.

"(c) All Federal officers and agencies are directed to comply with the applicable provisions of this Act, and of the laws, treaty, compacts, and decree referred to in subsection (a) of this section, in the storage and release of water from all reservoirs and in the operation and maintenance of all facilities in the Colorado River system under the jurisdiction and supervision of the Secretary, and in the operation and maintenance of all works which may be authorized hereafter for the augmentation of the water supply of the Colorado River system. In the event of failure of any such officer or agency to so comply, any affected State may maintain an action to enforce the provisions of this section in the Supreme Court of the United States and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

"Sec. 602. (a) In order to comply with and carry out the provisions of the Colorado River Compact, the Upper Colorado River Basin Compact, and the Mexican Water Treaty, the Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River Stor-

age Project Act, the Boulder Canyon Project Act, and the Boulder Canyon Project Adjustment Act. To effect in part the purposes expressed in this paragraph, the criteria shall make provision for the storage of water in storage units of the Colorado River storage project and releases of water from Lake Powell in the following listed order of priority:

"(1) releases to supply one-half the deficiency described in article III(c) of the Colorado River compact, if any such deficiency exists and is chargeable to the States of the Upper Division, but in any event such releases, if any, shall not be required in any year that the Secretary makes the determination and issues the proclamation specified in section 202 of this Act;

"(2) releases to comply with article III(d) of the Colorado River Compact, less such quantities of water delivered into the Colorado River below Lee Ferry to the credit of the States of the Upper Division from other sources; and

"(3) storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three Lower Division States and taking into consideration all relevant factors (including, but not limited to, historic streamflows, the most critical period of record, and probabilities of water supply), shall find this to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River Compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the Lower Division to the uses specified in article III(e) of the Colorado River Compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

"(b) Not later than January 1, 1970, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the Governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than July 1, 1970, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1972, and yearly thereafter, the Secretary shall transmit to the Congress and to the Governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the Governors of the seven Colorado River Basin States and appropriate consultation with such State representatives as each Governor may designate.

"(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

"Sec. 603. (a) Rights of the upper basin to the consumptive use of water available to that basin from the Colorado River system under the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin.

"(b) Nothing in this Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission.

"Sec. 604. Except as otherwise provided in this Act, in constructing, operating, and maintaining the units of the projects herein and hereafter authorized, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

"Sec. 605. Part I of the Federal Power Act (41 Stat. 1063; 16 U.S.C. 791a-823) shall not be applicable to the reaches of the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam until and unless otherwise provided by Congress.

"Sec. 606. As used in this Act, (a) all terms which are defined in the Colorado River Compact shall have the meanings therein defined;

"(b) 'Main stream' means the main stream of the Colorado River downstream from Lee Ferry within the United States, including the reservoirs thereon;

"(c) 'User' or 'water user' in relation to main stream water in the lower basin means the United States or any person or legal entity entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), to use main stream water when available thereunder;

"(d) 'Active storage' means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works;

"(e) 'Colorado River Basin States' means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming;

"(f) 'Western United States' means those states lying wholly or in part west of the Continental Divide; and

"(g) 'Augment' or 'augmentation', when used herein with reference to water, means to increase the supply of the Colorado River or its tributaries by the introduction of water into the Colorado River system, which is in addition to the natural supply of the system."

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and the House agree to the same.

WAYNE N. ASPINALL,
HAROLD T. JOHNSON,
ED EDMONDSON,
MORRIS K. UDALL,
CRAIG HOSMER,
LAURENCE J. BURTON,
Managers on the Part of the House.

HENRY M. JACKSON,
CLINTON P. ANDERSON,
FRANK CHURCH,
ERNEST GRUENING,
CARL HAYDEN,
THOMAS H. KUCHEL,
GORDON ALLOTT,
LEN B. JORDAN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House on the disagreeing votes of the two Houses on the amendment of the House to the bill, S. 1004, to authorize the construction, operation and maintenance of the Central Arizona Project, Arizona-New Mexico, and for other purposes, submit this statement in explanation of the effect of the language recommended and adopted in the accompanying conference report.

The Committee of Conference adopted the form of the House amendment and for the most part the House language. The differences between the language of the House amendment and language agreed to in conference are explained herein along with other matters involved in the legislation which warrant comment or require clarification.

TITLE I—COLORADO RIVER BASIN PROJECT: OBJECTIVES

A short title for this legislation is cited in the Senate version of S. 1004 as the "Central

Arizona Project Act" and in the House amendment as the "Colorado River Basin Project Act". The House language was adopted by the Committee of Conference. The Committee of Conference also adopted the remainder of Title I of the House amendment, none of which is in the Senate version of S. 1004.

The statement of the objective of this legislation and the establishment of Congressional policy with respect to meeting the long-range water needs of the Colorado River Basin, as set forth in this title, combined with the planning directive set out in title II clearly give to the Secretary of the Interior the authority and the responsibility for planning the best possible use of this Nation's water resources west of the Continental Divide and for meeting the future water needs of our eleven western States.

TITLE II—INVESTIGATIONS AND PLANNING

The language in this title is not in S. 1004 as passed by the Senate, and the major difference between the Conference Report and the House amendment occurs in this title.

Out of the deliberations of the Committee of Conference in connection with this title came a completely new Section 201 which, for the first time, provides for coordinated Federal water planning on a west-wide basis.

Section 201 in the House amendment called for a series of investigations and studies to be conducted by the Secretary of the Interior in connection with the long-range water needs in the Colorado River Basin and the availability of water to meet these needs. The Secretary would have been required, by the House amendment, to prepare reconnaissance reports covering all of the matters listed for study and to submit such reports to the President and the Congress not later than June 30, 1973. In addition, he would have been required to prepare a feasibility report on a plan which shows the most economical means of augmenting the water supply in the Colorado River by two and one-half million acre feet annually and to submit this report to the Congress not later than January 1, 1975.

The language developed by the Committee of Conference as a substitute for Section 201 of the House amendment directs the Secretary of the Interior to conduct full and complete reconnaissance investigations for the purpose of developing a general plan to meet the future water needs of the Western United States, a term which is defined in Title VI of the Conference Report as those States lying wholly or in part west of the Continental Divide. The investigations and development of the plan are to be in accordance with reclamation law, and the studies, investigations and assessments of water availability must be coordinated with other water planning activities being conducted under the Water Resources Planning Act. The purpose of the reference to the Water Resources Planning Act is to assure cooperation and coordination among all Federal agencies, affected States, and study commissions established pursuant to the Planning Act and to eliminate possible duplication in the overall water resources planning effort. The reference to the Planning Act does not, of course, subject the Secretary of the Interior to the prohibition in that Act against the study of transbasin transfers of water.

It is intended that the Secretary initiate this west-wide planning effort by determining the water supplies available and the long-range water requirements in each water resource region of the Western United States. When this phase of the study is completed, the Secretary can then proceed with investigations to determine the most economical means of augmenting the water supply of the Colorado River in order to serve the most critical water-short area of our Nation. When the water needs of the Colorado River Basin and the time schedule therefor have been established, all possible sources of water must be considered, includ-

ing water conservation and salvage, weather modification, desalination and importation from areas of surplus. However, for a period of ten years from the date of this Act, the Secretary cannot undertake studies of any plan for importation of water into the Colorado River Basin from any other drainage basin lying outside the States of Arizona, California, Colorado, New Mexico, and those portions of Nevada, Utah and Wyoming which are in the natural drainage basin of the Colorado River. As the studies proceed, the Secretary is required to submit progress reports every two years and to submit, not later than June 30, 1977, a completed reconnaissance report on water supplies and water requirements for the entire eleven western States area as well as the possibilities of augmentation from within the Colorado River Basin States. Both the progress reports and the final reconnaissance report are to be submitted to the President, the National Water Commission (while it is in existence), the Water Resources Council, and the Congress.

The investigations and studies under this title do not end with submission of this initial report in 1977. This is only the first phase. It is intended that, following the completion of this phase of the investigations and studies, the Secretary shall continue, pursuant to existing authority, to pursue vigorously the stated objective of Section 201 which is to develop a general plan to meet the future water needs of the entire Western United States. He is expected to make such recommendations with respect to feasibility studies as are justified and appropriate, including feasibility studies of augmentation opportunities within the Colorado River Basin States. Also, it is intended that the Secretary, when the 10-year moratorium on studies of importation from outside the Colorado Basin States comes to an end, will conduct such additional reconnaissance investigations as are justified of importation from outside the Colorado River Basin States and make such recommendations with respect to feasibility studies as are warranted. He will do this pursuant to existing authority and in the light of the investigations and studies he has completed up to that time.

The importance to the Central Arizona Project and to the entire West of the west-wide water planning provided for in this legislation cannot be over-emphasized. While there is disagreement with respect to time, the cold fact remains that eventually the water supply for the Central Arizona Project from main stream Colorado River water will be reduced to less than 300,000 acre feet annually unless augmentation becomes a reality.

The remainder of the language in Title II adopted by the Committee of Conference is the language of the House amendment with one minor clarifying change. Section 202 warrants special mention. This section is a Congressional declaration that satisfaction of the water requirements of the Mexican Water Treaty constitutes a national obligation which shall be the first charge against any augmentation project. It relieves both the Upper Basin and the Lower Basin from the Colorado River Compact requirement covering deliveries of water to Mexico at such time as the Secretary of the Interior determines and proclaims that means are available and in operation for delivering annually into the Colorado River system sufficient water to satisfy the Mexican Treaty water requirements together with associated losses. A further provision in the House amendment made such relief to the Colorado River Basin States contingent upon the authorization of a plan to augment the Colorado River water supply by two and one-half million acre feet annually. This provision is retained in the Conference version of S. 1004 which, however, adds clarifying language to indi-

cate that such plan has not only to be authorized but also to be in operation to the extent of providing the additional water necessary to satisfy the Mexican Water Treaty requirements.

The declaration that satisfaction of Mexican Treaty water requirements constitutes a national obligation carries with it a nonreimbursable allocation of the costs of providing the necessary water or replacement for such water. The authority for this allocation on a nonreimbursable basis is included in title IV of the Conference Report, and clarifying language adopted by the Committee of Conference with respect to it is explained in this statement under title IV.

Section 203 of the Conference Report is language from the House amendment which provides the fullest possible protection to States and areas of origin in the event of transbasin diversions of water.

TITLE III—AUTHORIZED UNITS: PROTECTION OF EXISTING USES

The second most important difference between the language adopted by the Committee of Conference and the House amendment occurs in Section 301 in connection with the capacity of the Granite Reef aqueduct, the main conduit for conveying water from the Colorado River to the Central Arizona Project service area. The Senate version of S. 1004 provides for a capacity of "not less than 3,000 cubic feet per second". The House amendment provides for a capacity of "not to exceed 2500 cubic feet per second". The language adopted by the committee of conference authorizes a capacity of "3,000 cubic feet per second or whatever lesser capacity is found to be feasible". The Conference language is intended to fix the capacity at 3,000 cubic feet per second if this is the desire and decision of the State of Arizona and it can be shown that an aqueduct of this capacity is economically justified and financially feasible.

The Committee of Conference added two qualifying provisions in connection with the aqueduct capacity. The first provides that any capacity in the aqueduct in excess of 2500 cubic feet per second shall be utilized for the conveyance of Colorado River water only when Lake Powell is full or releases of water are made from Lake Powell to prevent the reservoir from exceeding elevation 3700 feet above mean sea level, or when releases from Lake Powell are made under Article III (e) of the Colorado River Compact at times when the active storage in Lake Powell is not less than the active storage in Lake Mead. Releases of Article III(e) water is of lower priority than storage of water in Lake Powell to fully protect and assure all prospective annual consumptive uses in the Upper Basin under the Compact. Thus, the Upper Basin States are given assurance that any capacity in the aqueduct in excess of 2500 cubic feet per second will not be used so as to impair in any way Upper Basin rights and uses under the Colorado River Compact.

The second qualifying provision in connection with the aqueduct capacity requires that the cost of any capacity in excess of 2500 cubic feet per second must be repaid either from Central Arizona Project revenues, from that portion of the Lower Colorado River Basin Development Fund which, pursuant to subsection 403(f), is available to assist the Central Arizona Project, or from sources other than the development fund. This provision makes it clear that the cost of any capacity in excess of 2500 cubic feet per second shall not be an obligation against that part of the development fund which is dedicated to assisting the future construction of augmentation works.

Except for the difference in the capacity of the aqueduct, the plan of development and the plan of operation for the Central Arizona Project as set forth in the Confer-

ence Report is unchanged as compared with the House amendment. The conference report retains the provision in the House amendment which gives California 4.4 million acre-feet of water annually with a priority over Central Arizona Project water when there is less than 7.5 million acre feet of mainstream Colorado River water released annually for use in Arizona, California and Nevada. The Secretary must recognize this priority in the administration of the United States Supreme Court decree in *Arizona v. California*. The priority given California uses in the Senate version of S. 1004 was limited to 27 years. Arizona and its representatives on the Committee of Conference agreed to accept the House version in view of the fact that it called for assumption of the Mexican Treaty water requirement as a national obligation.

The Committee of Conference was made aware of the disagreement of the Pima Indians with the Globe Equity Decree Numbered 59 and their concern over the mention of this decree in connection with the operation of Buttes dam and reservoir. The mention of this decree in this legislation is not intended to constitute Congressional ratification or approval of the stipulated portions thereof or to enhance or impair any Gila River water rights.

Section 302 of the Conference Report relates to the acquisition of the Indian lands that are needed for construction of the Orme dam and reservoir. This section was not in the Senate version of S. 1004. The Committee of Conference adopted the language of the House amendment with two changes. The House amendment provided that if lands purchased from the Indian communities cease to be needed for the Orme Dam and Reservoir, or alternative, they should be restored to the community. The Committee of Conference added a requirement making restoration of the title contingent upon repayment by the communities of the amount paid by the Government for the purchase of the lands.

The other change relates to the fair market value of the Indian lands acquired by the Government. The language of the House amendment provided that the fair market value of the Indian lands acquired shall reflect the value of the right retained by the Indians to extract minerals, but not the value of any other uses permitted under section 302. The Committee of Conference took the position that the value of those other uses should also be considered when determining fair market value, and amended the House amendment accordingly. Those other uses include the right of the Indians to use or lease the lands for purposes not inconsistent with the project, the right to develop and operate recreational facilities on the lands, and the right to hunt and fish without charge.

Section 303 of the Conference Report establishes the procedure for meeting the pumping power requirements of the Central Arizona Project. It is the language of the House amendment with minor changes. It directs the Secretary to continue studies of ways and means of supplying the pumping power for the Central Arizona Project and of augmenting the Lower Colorado River Basin Development Fund, and it authorizes the "prepurchase" plan for meeting the pumping power requirements if this plan is determined by the Secretary to be feasible and in the best interest of the Federal Government. The Committee of Conference adopted minor language changes to permit the Secretary to acquire the right to powerplant capacity in more than one location if such a procedure should prove to be desirable.

In section 303(b)(1) the Committee of Conference substituted "contractual arrangements" for "contracts" to indicate that all of the required contracts in final form do not necessarily have to be completed and executed before any Federal funds are made

available to start paying the Government's share of the cost of generators and other major equipment that require considerable time for delivery. For the purpose of this section the placing of orders for such equipment can be considered preconstruction activities. It is recognized that it may require as much as two years to complete execution of all the contracts, and it is not intended that the other participants have to bear the Government's share of progress payments during this period or that purchases be held up. Letters of intent or other suitable understandings which commit all parties to participation in the undertakings are deemed adequate to permit the United States to make such payments for equipment as are due under the provisions of this legislation and for which funds have been appropriated.

The committee of conference also modified the language of subsection 303(b)(2), which relates to operation and maintenance costs of the power plants, to make it clear that the United States will share depreciation cost only on such replacements as might be financed entirely by the non-Federal interests.

Subsection 303(b) authorizes the Secretary to dispose of power and energy acquired under the "prepurchase" plan when such power and energy is not required for project purposes. A proviso in Section 14 of the Senate version of S. 1004 relating to the disposition of this excess power and energy was eliminated by the Committee of Conference as surplusage since the sale or disposition of power or energy acquired pursuant to section 303 and surplus to the requirements of the Central Arizona Project will be in accordance with the provisions of Section 9 of the Act of August 4, 1939 (53 Stat. 1193), as amended. We believe this to be in accord not only with the Secretary's testimony before the House and Senate Committees but with the "Summary Report, Central Arizona Project with Federal Prepayment and Power Arrangements, dated February 1967", and will not limit the Secretary in his use and disposition of the prepurchase capacity for project purposes or other purposes authorized by this Act.

The limitation in Section 303(d) on the source of water for any thermal electric plant located in Arizona is not intended to preclude the Secretary from making, under existing laws, short term sales of surplus water, which would otherwise be wasted below Lee Ferry, for the purpose of generating electric energy in a coal-fired plant in Arizona. Neither is this language of Section 303(d) intended to impair in any way existing rights to water from the 50,000 acre feet apportioned to Arizona by the Upper Colorado River Compact.

Section 304 of the Conference Report deals with the furnishing of water from the Central Arizona Project. The Conference Committee adopted one subsection from the Senate version of S. 1004 which is not in the House amendment. This is subsection (g) which relates to surplus crops and prohibits, for a period of ten years from the date of enactment, the delivery of project water for the production on newly irrigated lands of any basic agricultural commodity which is in surplus supply as determined by the provisions of the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 unless increased production is called for in the interest of national security.

Sections 305, 306, 307 and 308 of the Conference Report are identical to language in the House amendment.

Section 309 of the Conference Report places a ceiling of \$832,180,000 (subject to adjustment to reflect changes in price indices) on the amount authorized to be appropriated for construction of the Central Arizona Project. The increase of roughly \$53 million over the amount included in the House amendment is for the purpose of constructing the Granite Reef aqueduct with a capacity of 3000 cubic feet per second rather

than 2500 cubic feet per second. It is the intention of the Committee of Conference that, if this additional capacity or any part thereof is not constructed, the amount authorized to be appropriated is to be reduced accordingly.

TITLE IV—LOWER COLORADO RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS: CONTRACTS

Section 401 of the Conference Report provides for allocation among the project purposes of project costs, including the costs of future units and augmentation works. It is the language of the House amendment with additional clarifying language in connection with the nonreimbursable allocation to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty. The new language adopted by the Committee of Conference provides that this nonreimbursable allocation shall be made on a pro rata basis to be determined by the ratio between the amount of water required to comply with the Mexican Water Treaty and the total amount of water by which the Colorado River is augmented pursuant to the investigations authorized by title II of the Act and any future Congressional authorization. This language is intended to prevent a disproportionate share of the cost of any augmentation program from having to be borne by the taxpayers of the Nation. Under this new language, if a plan is authorized for augmenting the water supply available in the Colorado River by two and one-half million acre feet (the estimated amount necessary to satisfy annual consumptive use of 7,500,000 acre feet of main stream Colorado River water in Arizona, California, and Nevada and, thus, the amount most urgently needed and the amount contemplated for the initial augmentation program throughout the consideration of this legislation) and if it is assumed that 1.8 million acre feet are required to comply with the Mexican Water Treaty, then 18/25 of the cost of such a plan would be nonreimbursable and 7/25 of the cost would have to be repaid. However, should augmentation works be authorized to make available only increments of water within the amount required to comply with the Mexican Water Treaty, as would likely be the case should desalination be found to be the most economical means of augmentation, the total cost of such works would be nonreimbursable. On the other hand, should the investigations authorized by title II lead to authorization of a plan for augmenting the water available in the Colorado River by, say, eight million acre feet through importation from an area of surplus, the nonreimbursable allocation would be limited to 18/80 of the total cost of the plan.

The Committee of Conference adopted the remainder of the language of Title IV in the House amendment. The Lower Colorado River Basin Development Fund is established and dedicated to assist the future construction of augmentation works and construction of the Central Arizona and Dixie projects. Financial assistance to the Central Arizona Project from the development fund, other than project revenues, is limited to those revenues accruing to the development fund from the Pacific Northwest-Pacific Southwest intertie and those revenues from the Hoover-Parker-Davis power operations derived from the sale of power and energy for use in Arizona.

TITLE V—UPPER COLORADO RIVER BASIN: AUTHORIZATIONS AND REIMBURSEMENTS

Title V of the Conference Report deals with development in the Upper Colorado River Basin. The Committee of Conference adopted the language of the House amendment with minor clarifying changes.

Section 501 authorizes the construction of the Animas-La Plata, Dolores, Dallas Creek,

West Divide and San Miguel projects in the Upper Colorado River Basin as participating projects under the Colorado River Storage Project Act, and authorizes the appropriation of \$392 million (subject to adjustment to reflect changes in prices) for the construction of these five projects. The Uintah unit of the Central Utah Project is conditionally authorized, with construction contingent upon completion and submission to the Congress of a feasibility report along with the certification by the Secretary that the unit is economically justified and is physically and financially feasible. The Committee of Conference added language to make it clear that the Uintah unit cannot be undertaken until Congress has authorized the appropriation of funds for its construction.

The Committee of Conference adopted the language of the House amendment with respect to subsection 501(b) relating to concurrent construction of five Upper Basin reclamation projects with construction of the Central Arizona project. The intention of the language is to require the Secretary, in construction of the five Upper Basin projects, to plan and accomplish preconstruction and construction activities in such a manner that each of the five projects will be capable of operation not later than the date of first delivery of Colorado River water to water users under the Central Arizona project, assuming that appropriate repayment contracts have been executed in accordance with the terms of section 4 of the Colorado River Storage Project Act (70 Stat. 107) before construction begins. Not all of the projects will require the same length of time for construction. Therefore, in order to carry out the intent of the language it will be necessary for the Secretary to adjust the dates of initiation of construction of each project, within limitations of appropriation Acts, in order that the five Upper Basin projects will become operational within the period required for construction and initiation of operation of the Central Arizona Project. The attainment of this objective can resolve one of the major facets of the ages-old conflict over use of Colorado River water. Thus, by providing for concurrent construction of these projects, the Committee is also expressing its desire that they be adequately funded through support of the Executive Branch and appropriations of monies by the Congress.

The language of subsection 501(e) of the House amendment was adopted by the Committee of Conference after consideration at some length. The Committee of Conference was made aware of the fact that this language is intended to resolve sectional differences within the State of Colorado. It is in the legislation at the specific request of Colorado and for the specific purpose of assuring the people of the State of Colorado that the water laws of that State with respect to priority of appropriation will be complied with. The language provides that in the administration of projects authorized by this Act or by the Colorado River Storage Project Act that are within and for the sole benefit of Colorado, the Secretary must comply with the laws of Colorado with respect to priority of appropriation and with respect to Federal and State Court decrees entered pursuant to such laws in the diversion and storage of water. The Committee of Conference understands this requirement to mean that diversion and storage rights for these projects will be junior to existing rights recognized under Colorado law. This is merely a reaffirmation of the rule of law that would apply in any event. The Secretary is also directed to comply with any operating principles approved by the State which he may adopt for these projects. The Secretary is not required, however, to adopt any operating principles. This language is not intended to interfere with the executive discretion of the

Secretary in contracting for the sale and distribution of water.

Section 502 deals with the financial problems created by the filling of Lake Powell and the resulting impairment of firm power production at Hoover dam. The Committee of Conference adopted the language of the House amendment with one change to make it clear that the annual transfer of \$500,000 to the Upper Colorado River Basin Fund from the Colorado River Development Fund starts with fiscal year 1970.

TITLE VI—GENERAL PROVISIONS; DEFINITIONS; CONDITIONS

The language of Title VI relates primarily to the reservoir operating criteria for Hoover and Glen Canyon dams. The Committee of Conference adopted the language of the House amendment with two minor changes.

Section 601(b) requires the Secretary to make reports at five-year intervals showing consumptive uses and losses of water from the Colorado River system. The Committee of Conference added language which requires that such reports include a detailed breakdown of the beneficial consumptive use of water and specific figures on quantities consumptively used from the major tributary streams flowing into the Colorado River on a State-by-State basis.

The Committee of Conference was fully aware of the long and arduous negotiations among the seven Colorado River Basin States with respect to the reservoir operating criteria set out in Section 602 and of the importance of these operating criteria toward finally settling the disputes which have long existed between the two basins. The language expressed in this title, which is in both the House amendment and S. 1004 as passed by the Senate, constitutes a fair and reasonable solution of the problem of protecting the future water resources development of the four Upper Division States and also providing for the use of the water in the Lower Division States until the water is required upstream, thus resulting in the greatest beneficial use of the available water.

Sections 603, 604 and 605 of the Conference Report are identical to language in the House amendment. Section 605 prohibits any licensing by the Federal Power Commission on the Colorado River between Hoover Dam and Glen Canyon Dam until and unless authorized by the Congress.

In Section 606, which defines certain terms used in the Act, the Committee of Conference added language defining "Western United States" as those States lying wholly or in part west of the Continental Divide.

WAYNE N. ASPINALL,
HAROLD T. JOHNSON,
ED EDMONDSON,
MORRIS K. UDALL,
CRAIG HOSMER,
LAURENCE J. BURTON,

Managers on the Part of the House.

REVIEW OF WATER RESOURCE PROBLEMS AND PROGRAMS

Mr. ASPINALL submitted the following conference report and statement on the bill (S. 20) to provide for a comprehensive review of national water resource problems and programs, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 1862)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the Bill (S. 20) to provide for a comprehensive review of national water resource problems and programs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House num-

bered 1, and agree to the same with an amendment as follows: In lieu of the language inserted by the House amendment insert the following:

"(b) The Commission shall be composed of seven members who shall be appointed by the President and serve at his pleasure. No member of the Commission shall, during his period of service on the Commission, hold any other position as an officer or employee of the United States, except as a retired officer or retired civilian employee of the United States."

And the House agree to the same.

That the Senate recede from its disagreement to the amendments of the House numbered 2, 3, 4, 5, 6, 7, 8, 9, and 10.

WAYNE N. ASPINALL,
HAROLD T. JOHNSON,
JAMES A. HALEY,
JOHN P. SAYLOR,
ED REINECKE,

Managers on the Part of the House.

HENRY M. JACKSON,
CLINTON P. ANDERSON,
ALAN BIBLE,
FRANK CHURCH,
ERNEST GRUENING,
THOMAS H. KUCHEL,
PAUL J. FANNIN,
LEN B. JORDAN,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes between the two Houses on the amendments of the House to the bill, S. 20, to provide for a comprehensive review of national water resource problems and programs and for other purposes, submit this statement in explanation of the effect of the language agreed upon and recommended in the accompanying conference report.

The language agreed upon is the language of the House with one exception. House amendment No. 1 includes a provision prohibiting appointment to the Commission of retired officers or employees of the United States. The conference committee recommends the removal of this language.

Although, therefore, the conference report language contains no restriction on the appointment of a retired officer or retired civilian employee of the United States as a member of the National Water Commission, it is clear that the appointment of retired Federal officials who have been deeply involved in Federal water resources development activities would not be consistent with the administration's stated position on the composition of this Commission. In his testimony before the House Committee, Secretary Udall stated:

"It [the Commission] is an outside-Government approach to the problem on the assumption. I think, that when you look at the big water problems that we face in the next 25 or 50 years, that it is wise from time to time not merely to have government agencies and government people make studies but to have distinguished outside people who, perhaps can detach themselves from the vested interests that government agencies have."

The administration's intention as thus stated was the basis for the House amendment. Thus, while removing this language from the legislation, the conference committee was in general agreement that only in unusual circumstances should consideration be given to the appointment of a retired Federal official as a member of the Commission, particularly an official who has had responsibilities closely related to Federal water programs.

As agreed upon in Conference, this legislation authorizes the establishment of a seven-member National Water Commission to conduct a comprehensive review of national water resource problems and programs and report thereon to the President and to the

Congress within 5 years from the date of the act. This is to be a Presidential Commission which, in the President's words, "will be composed of the very best minds in the country" and "will examine our major water problems and develop recommendations guidelines, and long-range plans for the most effective use of available water resources".

The House conferees want to reiterate the position of the House Committee on Interior and Insular Affairs as set out in its report:

"The job of the National Water Commission will be a difficult one. If the Commission is to be successful in accomplishing its mission, its recommendations must be susceptible of fulfillment. This means that the Commission cannot approach the difficult problems involved in its mission without considering the views of all parties and interests involved. It must therefore work very closely not only with Federal Departments and agencies having responsibilities in the water field but also the States and public and private groups which will be affected by its studies and recommendations. The Commission must foster full discussion of the complicated and controversial water issues of this Nation and attempt, through negotiations and understanding, to forge a consensus.

"While the objective of this review of national water resource problems and programs is to improve water management and provide for maximum and best use of our water resources in the future and to assist in the formulation of consistent and effective national policies, it is not intended that the planning of urgently needed water resources development projects, or recommendations of the executive agencies concerning such projects, be delayed while the work of the Commission is underway. Neither is it intended that the Commission take a position on specific project proposals."

WAYNE N. ASPINALL,
HAROLD T. JOHNSON,
JAMES A. HALEY,
JOHN P. SAYLOR,
ED REINECKE,

Managers on the Part of the House.

TELEVISION NEWS BROADCASTS DID NOT PORTRAY PROVOCATIONS TO POLICE IN CHICAGO

(Mr. PUCINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PUCINSKI: Mr. Speaker, never have so many millions of people been so badly misinformed by so few as they were by network television news last week during the Chicago Democratic Convention.

I have taken a 1-hour special order at the conclusion of all legislative business today in order to discuss this whole situation. I invite my colleagues to remain on the floor if they wish to find out what really happened and what television network news did not tell the American people.

It is tragic that the local reporters working for television stations have to be caught in this web, but there is no question in my mind that the American people and the world never got the full story of the provocations that occurred which led up to the incidents in Chicago. I do hope my colleagues will remain on the floor so we can discuss this at great length.

STATUS OF APPROPRIATION BILLS

(Mr. MAHON asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. MAHON. Mr. Speaker, with the reconvening of the Congress today for the purpose of undertaking to wind up its legislative business, I thought it useful to summarize the unfinished appropriations business.

PENDING APPROPRIATION BILLS

Five bills remain to be cleared:

First. The defense bill is reported and pending House floor action. The agreement is that we will not proceed with further consideration until a conference report on the defense authorization bill is cleared.

Second. The foreign assistance bill is yet to be reported. Hearings are completed, and we are ready to report promptly, but we are also awaiting clearance of a conference report on the related authorization bill.

I might say that action on those two bills would conclude House action on the regular fiscal 1969 appropriation bills. Only the customary closing supplemental would remain, and that can be expeditiously handled at the proper time.

Third. The Labor-HEW bill is reported in the Senate, and has been made the unfinished business on its calendar. So it should be in conference very shortly.

Fourth. The independent offices-HUD bill is in conference.

Fifth. The military construction bill is also in conference.

We plan to move as expeditiously as we can on the several conferences. With reasonable cooperation by all concerned, we should be able to dispose of the bills without undue delay.

COMPLETED APPROPRIATION BILLS

Mr. Speaker, under leave to revise and extend, and by way of summary, in the eight bills for fiscal 1969 which have been signed into law, Congress considered budget requests for new budget authority of \$19.9 billion. We made reductions of \$2.6 billion, which would count toward the \$10 billion goal in the tax-expenditure reduction bill. That cut in new requests would translate into reductions from the 1969 budget estimates of expenditures in 1969 of about \$1.1 billion. This would count toward the \$6 billion expenditure reduction goal as provided in the tax expenditure reduction bill.

HOUSE ACTIONS ON 1969 APPROPRIATION BILLS

Taking House actions alone on new budget authority requests for fiscal 1969, the House has cut \$11.6 billion on 12 bills, including the reported version of the defense bill—considerably above the \$10 billion reduction goal.

The foreign assistance and the closing supplemental bills, when reported, will bring the total House reduction in new budget authority requests probably close to \$13 billion—perhaps a bit less. That would be, roughly, \$3 billion above the tax bill requirement of \$10 billion in respect to new budget authority requests for fiscal 1969.

As to expenditures, rather than new budget authority, our best estimate at this time is that in the 12 bills, the House will have reduced budgeted expenditures for 1969 by about \$3.7 billion. That figure

should approach \$4 billion when the other two bills, foreign assistance and the closing supplemental, are reported.

Mr. Speaker, a more detailed statement on the appropriations business of the year appears in the RECORD for the last day prior to the recess, August 2, at pages H8185 and following.

CONGRESS SHOULD ADJOURN PROMPTLY

(Mr. PELLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PELLY. Mr. Speaker, Congress now is facing the possibility of weeks of time-consuming sessions which will have little or no purpose other than keeping Members in Washington, D.C., rather than allowing them to be at home where they would be reporting to their constituents during these critical days facing America.

The work actually facing the Congress is small and could be handled expeditiously, and, Mr. Speaker, I urge you and the leadership of this House to schedule our business so we can have an early adjournment of this "lameduck" session.

The chances of the Senate confirming President Johnson's choices for the Supreme Court appear small indeed. Furthermore, in January we will have a new President and a new Congress. This "rump" session would not be speaking for anyone but itself, and in this light, Mr. Speaker, Congress should lose no time in adjourning so that we may be where we belong at this time—at home with our people discussing vital issues of so much importance to them.

CALL OF THE HOUSE

Mr. CEDERBERG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 307]

Adair	Delaney	Karsten
Anderson, Tenn.	Denney	King, Calif.
Andrews, Ala.	Derwinski	Kleppe
Andrews, N. Dak.	Diggs	Kyl
Ashley	Dingell	Landrum
Ashmore	Dow	Long, La.
Baring	Dwyer	McClory
Barrett	Eckhardt	McDade
Berry	Evans, Colo.	McMillan
Betts	Evins, Tenn.	Machen
Blatnik	Fulton, Tenn.	Mailliard
Bolling	Gardner	Martin
Bolton	Goodell	May
Brown, Calif.	Gray	Mayne
Brown, Ohio	Green, Pa.	Mink
Burleson	Gubser	Moore
Cabell	Gurney	Moorhead
Carey	Halleck	Morris, N. Mex.
Clawson, Del.	Hansen, Idaho	Morse, Mass.
Colmer	Hansen, Wash.	Nix
Conyers	Hébert	Pirnie
Corman	Heckler Mass.	Poage
Cowger	Herlong	Railsback
Cunningham	Holifield	Rarick
Curtis	Ichord	Relfel
Davis, Ga.	Jacobs	Resnick
Dawson	Johnson, Pa.	Ronan
	Jones, Ala.	Roudebush
	Jones, Mo.	Ruppe

Scherle	Stafford	Teague, Tex.
Schweiker	Stanton	Tunney
Selden	Steiger, Wis.	Walker
Sikes	Stephens	Watts
Sisk	Stubblefield	Wiggins
Skubitz	Sullivan	Willis
Smith, N.Y.	Taft	Wright
Snyder	Teague, Calif.	Yates

The SPEAKER. On this rollcall, 324 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING FOR CONSIDERATION OF H.R. 14314, TRUST FUNDS FOR EDUCATIONAL SCHOLARSHIPS AND CHILD CARE CENTERS

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1251 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1251

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14314) to amend section 302(c) of the Labor-Management Relations Act of 1947 to permit employer contributions to trust funds to provide employees, their families, and dependents with scholarships for study at educational institutions or the establishment of child care centers for preschool and school-age dependents of employees. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Indiana is recognized for 1 hour.

Mr. MADDEN. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1251 provides an open rule with 1 hour of general debate for consideration of H.R. 14314 to permit employer contributions to trust funds to provide employees, their families, and dependents with scholarships for study at educational institutions and the establishment of child-care centers for preschool and school-age dependents of employees.

Many working parents believe a college education essential to insure meaningful lives for their children. But the costs of attending college are relentlessly increasing. Available figures indicate that each school year brings a rise in the average annual cost of attending college of roughly 5 percent. In 1967 the average annual cost to a resident student at a public university was \$1,640, and will likely grow to \$2,160 in 1977. To a resident student at a private institution of learning, the average annual cost was \$2,570

DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250
OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(FOR INFORMATION ONLY;
NOT TO BE QUOTED OR CITED)

Issued September 6, 1968
For actions of September 5, 1968
90th-2nd; No. 143

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HIGHLIGHTS: Rep. Pickle introduced and discussed bill to permit surplus food donation to certain organizations serving American servicemen.

SENATE

1. APPROPRIATIONS. Continued consideration of H. R. 18037, Labor, HEW, and related agencies appropriation bill. pp. S10331-3, S10339-44

TRANSPORTATION. Both Houses received the President's message transmitting an interim report by the Atlantic-Pacific Interoceanic Canal Study Commission (H. Doc. 380). pp. S10281, H8310

3. RECREATION. Sen. Scott commended corporations who will sponsor a nationwide TV program on our national parks scheduled for Oct. 23. p. S10288
4. HOUSING. Received a Los Angeles County, Calif., Board of Supervisors resolution calling for legislation to give a chance for homeownership to those who now cannot achieve it. p. S10289
5. GRAPES. Received a Porterville, Calif., chamber of commerce resolution protesting the secondary boycott of Calif. table grapes by AFL-CIO unions. p. S10289
6. FARM LABOR. Received a petition signed by Iowa citizens calling for legislation relating to extension of the National Labor Relations Act to cover farmworkers. p. S10289
7. LIVESTOCK. Sen. Hansen commended a Wyo. cattleman's wife for her explanation of the reasons for low income to cattlemen and the ties that bind the consumer and the producer. pp. S10322-3
8. FIREFIGHTING. Sen. Hatfield inserted a National Governors' Conference resolution calling for legislation which would make available to the States the services and resources of the U. S. Forest Service and other Federal agencies when fires become beyond the abilities and resources of the States to handle adequately. pp. S10324-5
9. 4-H CLUBS. Sen. Harris inserted the text of a speech by Melinda Von Thrasher, Rosston, Okla., on how a 4-H member is promoting good community living. pp. S10325-6
10. TAXATION. Sen. Miller submitted an amendment to H. R. 2767, (to amend the Internal Revenue Code of 1954 to allow a farmer an amortized deduction from gross income for assessments for depreciable property levied by soil and water conservation or drainage districts) with respect to the tax treatment of insurance proceeds received by farmers resulting from the destruction and damage of crops by hail. p. S10341

HOUSE

11. WATER RESOURCES. Agreed to the conference report on S. 20, to provide for a comprehensive review of national water resource problems and programs by a National Water Commission. The conferees agreed to the House language except for omission of the prohibition against appointment to the Commission of retired U. S. officers or employees. However, the House conferees stated "it is clear that the appointment to the Commission of retired Federal officers who have been deeply involved in Federal water resources development activities would not be consistent with the administration's stated position on the composition of this Commission." pp. H8318-19
- Agreed to the conference report on S. 1004, to authorize the central Arizona reclamation project. pp. H8310-18
12. MANPOWER. Passed, 315-0, with amendments H. R. 15045, to extend certain expiring provisions under the Manpower Development and Training Act of 1962. pp. H8320-28

their lack of agreement that there should be, functionally, within the Office of the Secretary of Defense persons and authority truly responsive to the health requirements of the military services. The conferees did indeed agree that the best health interests of the services were served when there was in the Defense Secretariat a position which embraced this specific responsibility and function.

The House recedes.

The conferees are also concerned by a proposal under consideration in the executive branch to establish an Interdepartmental Committee on Federal Medical Affairs. The concern is that such a Committee might attempt to dictate the health and medical activities to be conducted within the Department of Defense and that it might attempt to control the procurement or assignment of members of the Armed Forces responsible for providing health care. The conferees have no objection to a full exchange of information and the coordination of health policies between the Department of Defense and other Federal agencies, but they are resolutely opposed to any administrative arrangement that would override the statutory responsibility and authority of the Secretary of Defense to decide questions affecting the health and medical care to be provided members of the Armed Forces. Specifically the conferees emphasize their intent that the procurement and assignment of military medical personnel not be subject to direction by officials of the executive branch who are outside the Department of Defense.

The House conferees had previously communicated their concern over this general problem to the President and the Secretary of Defense through letters written by the chairman of the House Committee on Armed Services. The chairman of the House Committee on Armed Services was subsequently given assurances in writing that the executive branch did not contemplate any administrative or legislative action which would diminish or dilute either the responsibility or the authority of the Secretary of Defense to act on policy matters affecting the health and medical care of our uniformed services personnel and their families. In view of the pertinency of these communications they are set out below and hereby made a part of the statement of managers:

THE WHITE HOUSE,

Washington, D.C., July 11, 1968.

Hon. L. MENDEL RIVERS,

Chairman, Committee on Armed Services,
House of Representatives, Washington,
D.C.

DEAR MR. CHAIRMAN: The President has asked that I respond to your letter of July 2, 1968, regarding the report submitted by the Secretary of Health, Education, and Welfare proposing reorganization of health programs within the Department of Health, Education, and Welfare and proposing the establishment of a new Federal interdepartmental health policy council.

I have carefully checked into all aspects of the report rendered June 14, 1968, to the President and have consulted with appropriate departmental officials about it.

Although I am satisfied there was no such intent, some of the words and phrases could lead to the concerns expressed in your letter of July 2 to the President.

The creation of a Federal health policy council as proposed by Secretary Cohen would not remove any responsibilities from the Department of Defense, would not diminish the Defense Department's present policy role, and would not endanger in any way the status of the Department of Defense with respect to the medical care provided our military service personnel and their families or the other health and medical activities of the Department of Defense.

The President believes that the growth of the Federal health programs in recent years

makes it imperative that we achieve the most efficient and economical operation possible. To this end, he requested in his March 4, 1968, message to Congress on health in America the broad study which culminated in Secretary Cohen's report of June 14.

The data contained in the Secretary's report does point up the necessity for effective coordination of health activities within the government if we are to make the most effective use of scarce medical manpower, realize the full potential of national research capabilities, and move toward achievement of our health goals.

The function of the interdepartmental health policy council would be to coordinate and advise, to collect and analyze pertinent data, and to provide a central point for the full exchange of information. It is not contemplated that this council or its presiding officer would exercise any oversight in the sense that any agency would be subject to the authority of any other agency or department. No agency function would be restricted in any manner by this council or its chairman.

So that there will be no misunderstanding, let me assure you that the establishment of a Federal interdepartmental health policy council will in no way impinge on the present authority of the Secretary of Defense to report directly to the President, or to deal first-hand with the Bureau of the Budget, the heads of other agencies and departments, and the concerned Committees of Congress.

Secretary Cohen's report to the President did not propose any administrative or legislative action which will diminish or dilute either the responsibility or the authority of the Secretary of Defense to act on policy matters affecting the health and medical care of our uniformed services personnel and their families.

Sincerely,

DOUGLASS CATER,

Special Assistant to the President.

THE SECRETARY OF DEFENSE,
Washington, D.C., August 24, 1968.

Hon. L. MENDEL RIVERS,
Chairman, Committee on Armed Services,
House of Representatives, Washington,
D.C.

DEAR MR. CHAIRMAN: I have your letter noting the concern of the Committee on Armed Services over the possibility that the Secretary of Health, Education, and Welfare will be placed in charge of the medical programs of the Department of Defense.

Neither Secretary Cohen nor I believe there is any cause for committee concern on this score. He assures me there is no HEW plan or proposal to such effect, and there certainly is none in this Department.

The draft Executive order to which you referred in your letter would, if promulgated, establish an Interagency Health Council having an advisory role only. The draft contains the following language:

"Sec. 4. Construction. Nothing in this order shall be construed as subjecting any Federal agency or the head thereof, or any function vested by law in or assigned pursuant to law to any such agency or head, to the authority of any other Federal agency or head or as abrogating or restricting any such function in any manner."

If the proposed Executive order were ultimately promulgated, the quoted section would provide clear, unmistakable Presidential guidance that the medical responsibilities and programs of this Department were not being placed under the direction of any other Department.

In this connection, I am satisfied that the proposed Executive order is consistent with the July 11, 1968, statement to you by Douglass Cater, Special Assistant to the President, that:

"The creation of a Federal health policy council as proposed by Secretary Cohen would not remove any responsibilities from

the Department of Defense, would not diminish the Defense Department's present policy role, and would not endanger in any way the status of the Department of Defense with respect to the medical care provided our military service personnel and their families or the other health and medical activities of the Department of Defense."

The Bureau of the Budget, which has coordinating responsibility in such matters, informs me that agency comments are still being analyzed and that final action on the proposal is not being considered at this time.

I trust that the foregoing will allay the concern expressed in your letter.

Sincerely,

CLARK M. CLIFFORD.

LIMITATION ON APPROPRIATION

The Senate bill contained a provision (sec. 403) which stated that "the aggregate amount to be appropriated by this Act shall not exceed \$21,341,738,000." The House bill had no corresponding section.

In view of the conferees agreement with respect to specific dollar amounts throughout the bill, this provision no longer had pertinence and it was agreed that it should not be included in the bill.

The Senate recedes.

RESTRICTIVE LANGUAGE

All restrictive language appearing in either House or Senate versions of the bill was agreed upon for retention with the exception of that (appearing only in the House version of the bill) relating to Army research and development.

The deletion of this restrictive language was agreed upon because of the reference in the House report indicating that reductions in management and support should be taken in all budget activities that include management and support activities.

SPECIAL CONSIDERATIONS

EA-6B Aircraft

The EA-6B is an electronic countermeasures aircraft that will provide valuable protection to pilots of our Armed Forces flying aircraft against targets in hostile environments. Both the House and Senate versions of the bill had added authority for appropriations for this aircraft. The House conferees wish to stress the importance of this program and urge that every effort be made by those responsible for this procurement to proceed with it as rapidly as possible.

Electric-drive submarine

The House conferees view with ever increasing alarm the rapidly growing Soviet submarine threat. The increase in numbers and quality of the Soviet submarines can best be met by continued production of American nuclear attack submarines. However, in earlier years the Department of Defense announced the end of the construction program with the last of the submarines to be authorized next year. Last year the Congress fully funded an electric drive submarine. This year both the House and the Senate have voted to add funds for a new fast submarine. Both submarines should be built, promptly. There is no need to defer the construction of the electric drive submarine for more study or to make a further study of the fast submarine to be built next year. The House conferees cannot express their position too strongly that they want all of the submarines funded thus far to be built and that the United States must continue to build more submarines of new classes if we are not to encounter, sooner than we realize, a major and perhaps fatal submarine gap.

F-106/F-12

The conferees agreed that the Department of Defense request for \$28 million to initiate modifications of the F-106 would not be included in this bill. The House conferees, however, wish to point out that they would

look with favor upon a reprogramming action contemplating the initiation of an improved Air Defense System utilizing both the F-106X and the F-12.

SUMMARY

The bill as presented to the Congress by the President totaled \$22,385,052,000. The bill as it passed the House totaled \$21,626,964,000. The bill as it passed the Senate totaled \$21,341,738,000.

The bill as agreed to in conference totals \$21,625,750,000.

The figure arrived at by the conferees is \$1,214,000 less than the bill as it passed the House, \$284,012,000 more than the bill as it passed the Senate, and is \$759,302,000 less than the bill as it was presented to the Congress by the President.

L. MENDEL RIVERS,
PHILIP J. PHILBIN,
F. EDW. HERBERT,
MELVIN PRICE,
WILLIAM H. BATES,
LESLIE C. ARENDS,
WILLIAM G. BRAY,

Managers on the Part of the House.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

VOICE FROM THE GRAVE—VIETNAM

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, rarely do we hear from those who have gone to eternity. A young man, in full bloom with a bright future, Paul McGrath, was a 24-year-old U.S. Marine lieutenant in Vietnam. He was killed on June 7, 1968. Prior to his death, he wrote a letter to his parents in Rye, N.Y., but addressed it "To Whom It May Concern" in order that the contents would be made public.

Paul McGrath, a graduate of Villanova College, has a message for all Americans:

MARCH 24, 1968.

To Whom It May Concern:

While my young Marines give their lives for what they know is right, too many Americans sit back and argue over trivial details. This letter is a plea from a Marine platoon commander in Viet-Nam, that Americans get together and support us in a cruel, miserable, but necessary war. Let us not lose sight of the basic truths under a pile of trite arguments.

As far as being a "popular war of liberation" or anything resembling such, this isn't. We here in Khe-Sanh are surrounded by numerous enemy troops. They are North Vietnamese regulars, not the "popular liberation forces" some people would have us believe are behind the war. The war is simply a case of North Viet-Nam (with agents and pawns in South Viet-Nam and Red Chinese and Russian backing) trying to take over South Viet-Nam by force. There is no doubt in my mind what they have in theirs. The conquest of Asia. They have already begun the same thing in Laos. "Popular liberation forces" don't demolish cities and slaughter their own people in the streets.

The real question is not what is going on here, though. Anybody who does not know is either stupid or fooling himself. The real question is whether we as Americans consider it our job to stop them. It is a long way from home and seems not to bother our own security. It is costly in money, but more importantly, in American lives.

To me the answer is simple. Yes! We must stop them. Read again the inscription under the Statue of Liberty:

"Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore,
Send these, the homeless, the tempest-tossed, to me:
I lift my lamp beside the golden door."

The spirit that inspired that was one that said we must seek and accept responsibility in a positive manner, not just wallow in our own good fortune. The thing I love most about the United States is that spirit. "Give me your tired, your poor." We want them because we will do something with them!

Are we, today, willing to stand up for what we know is right or are we willing to make phony excuses for ourselves?

Please remember us in your prayers.

Semper Fidelis,

2d Lt. PAUL McGRATH.

August 5, 1944-June 7, 1968.

PERMISSION FOR SUBCOMMITTEE
ON INDIAN AFFAIRS, COMMITTEE
ON INTERIOR AND INSULAR
AFFAIRS, TO SIT TODAY DURING
GENERAL DEBATE

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

FOURTH ANNUAL REPORT OF THE
ATLANTIC-PACIFIC INTEROCEANIC
CANAL STUDY COMMISSION—
MESSAGE FROM THE PRESIDENT
OF THE UNITED STATES (H. DOC.
NO. 380)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed with illustrations.

To the Congress of the United States:

I am transmitting the fourth annual report of the Atlantic-Pacific Interoceanic Canal Study Commission. The report covers the period July 1, 1967 to June 30, 1968.

During the past twelve months the Commission has made significant progress toward accomplishing the objectives of its investigation. The collection of data was substantially completed on Route 17 in Panama, one of the routes being considered for nuclear excavation. In the Canal Zone, subsurface drilling for geological data was completed and an evaluation made of the suitability and cost of conventional canal excavation along Route 14. In Colombia the first full year of data collection on Route 25 was accomplished.

The Commission has decided on a more extensive study of Route 10, a route for conventional excavation in the Republic of Panama close to the westerly limits of the Canal Zone. Extensive engineering measures would be required to insure the continued operation of the existing lock canal during the years of construction of a sea-level canal adjacent to and intersecting it. Also, the change-over to a

sea-level canal on Route 14 would permanently close the existing canal. Route 10 would not have these disadvantages and could be competitive in cost. For these reasons, the Commission has now augmented its subsurface data collection program to produce a valid estimate of excavation costs on this route.

The Atomic Energy Commission has recently conducted the first two of the planned series of nuclear excavation experiments designed to determine the feasibility of nuclear excavation of a sea-level canal. The favorable results of these experiments are encouraging. Funds in the FY 1969 budget will permit continuation of this test program. I hope that the experiments will demonstrate the practical possibility of using this technique in building a new canal.

On June 22, 1968, I signed Public Law 90-359 in which the Congress granted an extension of the Commission's reporting date to December 1, 1970 and the additional appropriation authority needed by the Commission to complete its investigation. With this amending legislation, the Commission is now able to carry out its field surveys in both Panama and Colombia as originally planned to accomplish the mission given it by the Congress in Public Law 88-609.

The investigation has provided no final conclusions to date. However, no insurmountable technical problems are foreseen in the construction of a sea-level isthmian canal by conventional means. The best location for a new canal and the technical and political feasibility of construction by nuclear excavation are yet to be determined.

This anniversary sees the canal investigation well beyond the midpoint of its planned studies, and I take great pleasure in forwarding the Commission's fourth annual report to the Congress.

LYNDON B. JOHNSON.

THE WHITE HOUSE, September 5, 1968.

CONFERENCE REPORT ON S. 1004,
CENTRAL ARIZONA PROJECT

Mr. ASPINALL. Mr. Speaker, I call up the conference report on the bill (S. 1004) to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 4, 1968.)

Mr. ASPINALL. Mr. Speaker, I yield myself 6 minutes.

Mr. Speaker, I am pleased to be able to advise my colleagues that the Colorado River Basin project legislation which we bring back from conference today is in much the same form that passed this body on May 16. As the statement of managers on the part of the House indicates, the House amendment to S. 1004 was adopted by the committee of conference as to form, and

relatively few changes were made in the language.

There are only two changes in the House language which I consider of major significance. The first relates to the study provisions included in title II which are directed toward meeting the long-range water needs of not only the Colorado River Basin but the entire western part of our Nation. You will recall that when this legislation was before the House, our colleagues from the Pacific Northwest opposed it because of their concern that the study provisions in title II might, in some way, adversely affect future development in the Northwest. They felt that their area was a target of the studies for new sources of water. This, of course, was not the case, and I was very disappointed that our attempts to develop language acceptable to the Pacific Northwest were not successful. Therefore, it is particularly gratifying to be able to report that in conference we have resolved this matter to the satisfaction of both the Pacific Northwest and the Colorado River Basin States and that we have done so without sacrificing the west-wide water planning concept which I consider so important to future water development in the West.

The new study provisions developed by the committee of conference appear in section 201 of the conference report. This study directive along with the statement of congressional policy and objective in title I clearly give the Secretary of the Interior the authority and responsibility for planning the best possible use of this Nation's water resources west of the Continental Divide and for meeting the future water needs of our 11 Western States.

The new language agreed to in conference as a substitute to section 201 of the House amendment directs the Secretary of the Interior to conduct full and complete reconnaissance investigations for the purpose of developing a general plan to meet the future water needs of the Western United States, a term which is defined as those States lying wholly or in part west of the Continental Divide. The Secretary is required to report periodically on the investigations and to make such recommendations as are warranted as the study proceeds. Top priority is to be given to determining the most economical means of augmenting the water supply of the Colorado River since the Colorado Basin is the most critical water-short area of our Nation. All possible sources of water must be considered, including water conservation and salvage, weather modification, desalination and importation from areas of surplus. However, studies of any plan for importation of water into the Colorado River Basin from other drainage basins lying outside the Colorado River Basin States are prohibited for a period of 10 years. During this moratorium all other phases of the westwide water study will go forward and after the moratorium ends the overall westwide study can continue without restriction.

Mr. Speaker, the importance of the provisions for westwide water planning as a part of this legislation cannot be overemphasized, for without augmenta-

tion of the water supplies available from the Colorado River, there can be no successful central Arizona project.

The agreement we reached in conference on the study provisions opened the way to a quick settlement of all the other differences in the legislation. The only other major change in the language approved by the House is in connection with the capacity of the Granite Reef aqueduct, the main conduit for conveying water from the Colorado River to the Central Arizona project service area. The language agreed to in conference permits an increase in the capacity of this aqueduct from 2,500 cubic feet per second to 3,000 cubic feet per second if such an increase is determined to be feasible. If this additional capacity is constructed it will add about \$53 million to the cost of the central Arizona project, but all of this additional cost will be repaid.

Having explained the two major changes by the committee of conference in the language approved by the House, let me briefly refresh your memory on what this legislation does.

In addition to the planning provisions which I have already covered, the legislation declares that satisfaction of the water requirements of the Mexican Water Treaty constitutes a national obligation against any augmentation program. This means that the Colorado River Basin States will be relieved of the requirements of delivering water to Mexico under the treaty at such time as sufficient new water is made available through federally financed augmentation works to satisfy the treaty requirements.

As to physical works, additional water resources developments are authorized in both the Lower and Upper Colorado River Basins. In the lower basin, the central Arizona project is authorized at a cost of about \$932 million while in the upper basin the Animas La Plata, Dolores, Dallas Creek, West Divide, and San Miguel projects are authorized at a cost of about \$392 million. The Dixie project in Utah is reauthorized as a lower basin project and the Uintah unit of the central Utah project is conditionally authorized as an upper basin project.

In connection with the administration of the Supreme Court decree in Arizona against California, California is given 4.4 million acre-feet of main-stream Colorado River water annually with a priority over central Arizona project water.

A Lower Colorado River Basin development fund is established which will assist the central Arizona project and the previously authorized Dixie project, but which is dedicated primarily to assist the future construction of augmentation works which may be authorized by the Congress.

The legislation also includes guidelines for water management throughout the Colorado River Basin, and reservoir operating criteria for Hoover and Glen Canyon Dams which assure equitable treatment of all seven States of the basin now and in the future.

Lastly, the legislation removes that stretch of the Colorado River between Hoover Dam and Glen Canyon Dam from the licensing authority of the Federal

Power Commission, thus reserving decision with respect to any development on this stretch of the river for action by the Congress.

Mr. Speaker, more important than the projects which this legislation authorizes is the fact that it represents the first real approach to unity in the West on water development since the 1920's—unity and cooperation not only among the Colorado River Basin States but between the Pacific Southwest and the Pacific Northwest. I believe that this legislation opens a way to a new era of water development and economic progress in the West, and I urge the approval of the conference report on S. 1004.

Mr. Speaker, at this time I yield to my friend, the gentleman from Oregon [Mr. WYATT].

Mr. WYATT. I thank the gentleman.

I should like for the purpose specifically of making legislative history to ask our distinguished chairman this question: Does section 201 of this bill change the responsibilities of the Water Resources Council and the river basins commissions organized in the Western States with regard to the preparation of coordinated budgets for water planning in the Western States in which the Secretary of the Interior is directed to make reconnaissance studies?

Mr. ASPINALL. May I advise my colleague that it does not. It is coordinated with those acts.

Mr. WYATT. I would also ask my colleague: Is there any intent to change the direction of the comprehensive studies already underway in the Pacific Northwest under the sponsorship of the Pacific Northwest River Basins Commission?

Mr. ASPINALL. There is not. That Commission will continue to act.

Mr. WYATT. Finally, my assumption is that it is not intended that the Secretary of the Interior be placed in any different relationship to the Water Resources Council and the river basins commissions insofar as those agencies are now authorized, than presently is the case. I do assume that the Secretary may be authorized to summarize and report from such studies and to conduct independent study of any factors not undertaken by the studies fostered by the Water Resources Council on river basins commissions. Is that correct?

Mr. ASPINALL. As I understand the situation, that assumption is correct.

Mr. WYATT. I thank the gentleman.

Mr. ASPINALL. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SAYLOR].

(Mr. SAYLOR asked and was given permission to revise and extend his remarks.)

Mr. SAYLOR. Mr. Speaker, the matter now before the House, the conference report on S. 1004, regarding the central Arizona project, is a most important piece of legislation. It is important because this legislation introduces a new concept in water resource development. We now abandon the traditional concept of river basin water resource development and embark upon the new concept of regional or "westwide" water resource development and planning.

I submit, Mr. Speaker, that the adoption of this new concept is a most convenient instrument for the benefit of certain vested interests in the Colorado River Basin, and most subtly devised as the price the State of Arizona must pay for its long-sought central Arizona project and the right to put to consumptive use its share of the Colorado River waters as decreed by the U.S. Supreme Court in *Arizona v. California* (376 U.S. 340).

Over the years that I have served in the Congress I have consistently supported the authorization of the central Arizona project. However, in the past, attempts to obtain Federal authorization of the central Arizona project have been thwarted by every possible means until the decree in *Arizona v. California* (376 U.S. 340) could be legislatively reversed.

Mr. Speaker, I want my colleagues to know that, in approving the conference report on S. 1004, they are legislatively reversing that Supreme Court decree.

As the member of the Committee on Interior and Insular Affairs who offered the motion sending the States of Arizona and California into the Supreme Court, I do not wish to support a legislative reversal of that decision.

While the conference report on S. 1004 authorizes the construction, operation, and maintenance of the central Arizona project, this authorization has not been without serious and bitter controversy.

During the 89th Congress, similar legislation authorizing the central Arizona project in the Lower Colorado River Basin project sought to place two dams in the Grand Canyon area as the "cash registers" for financing the project.

All of you in this body know that the attempt to place these dams in the Grand Canyon touched off one of the major conservation issues of our time. As an ardent conservationist, I was privileged to lead the fight in the Halls of Congress against placing the proposed dams in the Grand Canyon. And, I am happy to state that we conservationists won that fight. But more so, Mr. Speaker, I am proud that we were able to fight off the threat which would have destroyed a most treasured segment of our American heritage.

The conference report on S. 1004 now before us still contains some most controversial provisions. While the conference committee did make some improvements in the legislation as reported, the conference committee failed to remove from the legislation the provision making the Mexican Water Treaty burden a national obligation, and the provisions of the legislation which grant to the State of California a guarantee of 4.4 million acre-feet of water per year in perpetuity.

These two objectionable features which remain part of this legislation make it impossible for me as a conferee to sign the conference report.

The major premise espoused by the proponents of this legislation as the justification for its controversial provisions is the shortage of water in the Colorado River and "the fact that the river has never produced the water expected of it." If this is in fact true, then, it would follow that the legislation should

not contain provisions which guarantee the availability of 4.4 million acre-feet of water in perpetuity to the State of California. Is there now some guarantee from the Almighty that we shall have available in perpetuity at least 4.4 million acre-feet of water in the river? I think not.

The most objectionable provisions of this legislation remain the shifting of the burden of the Mexican Water Treaty from the Colorado River where it belongs to all the United States and at the expense of all the people of this Nation.

The import of these provisions is in the fact that if the satisfaction of the Mexican Water Treaty requirements is made a national obligation, the States of the Colorado River Basin receive a windfall of approximately \$2.5 billion in the costs of the proposed Colorado River Basin project.

It is also stated that the apportionment of water to Mexico under the treaty was done on the basis of a mistake of fact as to the amount of water available in the river. An examination of the record clearly shows that all the basin States participated in the treaty negotiations as early as 1922, and since 1944, all the basin States have known the amount of water Mexico is entitled to from the Colorado River.

There is no reason at this time to unilaterally legislate the satisfaction of the Mexican Water Treaty burden nor to shift costs of satisfying this burden upon all the American taxpayers.

Mr. Speaker, because these controversial provisions remain in the legislation, I have refused to sign the report of the conference committee as a member thereof.

Mr. ASPINALL. Mr. Speaker, I yield 1 minute to the gentleman from Arizona [Mr. UDALL].

(Mr. UDALL asked and was given permission to revise and extend his remarks.)

Mr. UDALL. Mr. Speaker, it is with gratitude and humility that I speak today to my colleagues of the House in support of the Colorado River Basin project bill. After all, it was the great majority of you who so resoundingly voted for the bill on last May 16 who have made it possible for me to stand here before you today to ask for the final approval of this great natural resource act as it is proposed by the joint conference committee.

Yes, certainly, this bill benefits my own State of Arizona, and as a native son of Arizona I hold it very close to my heart. The central Arizona project is an essential ingredient of my State's future. But in the years during which so many dedicated Arizonans, both here in the Congress and at home, have labored to achieve their goal we have learned the special statesmanship of water which now reaches far beyond the boundaries of any one State.

This bill now before you was in a very real sense mastercrafted by the very wise chairman of the Interior Committee, the gentleman from Colorado [Mr. ASPINALL]. I am sure he would insist that he had the assistance of the many able members of his committee on both sides

of the House. That, too, would be true, and I pay tribute to all of my colleagues who helped shape a bill which no doubt will become a milestone in a new era of water resource development in this Nation.

As you well know, this bill is the result of very difficult and agonizing compromise which required several years and involved a great many people and many areas of widely divergent interests. There has been no doubt of Arizona's need for the central Arizona project; and since the Supreme Court decree of March 9, 1964, there has been no question of Arizona's right to use its 2.8 million acre-feet of mainstream Colorado River water.

The basic issue has been the possible effect of the central Arizona project upon the equal rights of other States. Thus, regional considerations became primary, and the challenge became a national interest, testing old and new ideas and principles of vital natural resource development.

Believe me, this bill has been through the legislative mill again and again, and it comes before us now—ground, faceted, and polished to a state as near perfection as any such complex matter can be. Its enactment is supported by the administrative branch. It is essentially the same bill previously passed by the House on last May 16. It has gone through a joint conference committee with the other body, and we of this body can be justifiably proud that our work was so well done that no great difficulty was encountered in composing the differences between the bill which you, my colleagues, passed and the bill previously passed by the other House.

As is the case with most major legislation, the passage of this bill is the result of many difficult but important compromises. Perhaps the greatest of these was the ultimate resolution of the long and bitter controversy between Arizona and California concerning priorities in times of shortage. California contended that it should have a priority to 4.4 million acre-feet of water annually over the central Arizona project when there is less than 7½ million acre-feet of mainstream Colorado River water available for consumptive use in Arizona, California, and Nevada.

On the other hand, Arizona contended that, by the decision of the Supreme Court, its rights were equal to California's rights and that the Congress should not "reverse the lawsuit." Arizona did, however, in the Senate version, agree to give California a priority for a period of 27 years, which period coincides with bond payments for the metropolitan aqueduct.

The House version which is now agreed to by Arizona and approved by the conference committee does give California its desired priority—but with one important feature added. This feature is the assumption of the treaty obligation to Mexico as a national obligation. Without this, Arizona could never have agreed to California's demand. But with the agreement by the United States to provide Mexico's entitlement under the treaty, the so-called priority to California becomes of little or no consequence. When

shortages do begin to occur—some time near the turn of the century—then the United States is obligated, under this compromise, to provide water needed for delivery to Mexico.

Furthermore, should a shortage ever in reality develop to the extent of bringing into force the priorities against some part of the central Arizona project diversions in some years, the available supply from that source can be supplemented in those years by the use of our precious but available groundwater.

Other provisions of the bill are not only intended to prevent the occurrence of shortages in water allocated to the Colorado River Basin States but are further intended to provide supplemental waters to meet the increasing water requirements of the entire basin.

The Secretary of the Interior is directed to conduct reconnaissance investigations for the purpose of "developing a general plan to meet the future water needs of the Western United States," and to make a final reconnaissance report by June 30 of 1977. Quite naturally, Arizona and the other Colorado Basin States wish that this bill did not impose a 10-year moratorium on investigation of the practicability of augmenting the supply of Colorado River water by importation from sources outside the Colorado drainage basin.

We sincerely believe that surpluses do exist and will continue to exist for the foreseeable future in some other basins, and that they could be utilized to the economic advantage of both the import and the export regions with adequate protection of the potential areas of origin. However, we accept the restriction in a spirit of interregional good will and understanding, and with the conviction that the delay will result in sound and mutually acceptable conclusions and action. In the meantime, other means for achieving some supply of augmentation can and will be investigated.

While on this subject, we ought to understand as precisely as possible what is meant by augmentation. Section 603(g) of the bill defines the words "augment" or "augmentation" of Colorado River water supply as any increase of the available supply in the river which is the result of an introduction of water into the main stream of the river or its tributaries, which introduction is in addition to the natural supply of the system.

Since the purpose of this bill is "to provide a program for further comprehensive development of the water resources of the Colorado River and for the provision of additional and adequate water supplies for use in the Upper as well as in the Lower Colorado River Basins," there can be no doubt that new water added to the system, whether by importation, desalting of sea or brackish waters, weather modification, watershed treatment, salvage, or other means, is in fact an augmentation of the "natural supply of the system." Certainly the conference committee intended that meaning.

We are indeed gratified that the bill does recognize and implement the contention of the Colorado Basin States that the water burden imposed upon the river by the Federal treaty with Mexico is

a national obligation. Satisfaction of that delivery requirement is made the first obligation of any augmentation project for which plans are made. Augmentation of the Colorado River supply by an amount sufficient to meet the full burden of the Mexican Treaty will in fact make whole the presently allocated uses in the seven States of the Colorado Basin; and the priorities for present users in the lower basin, as against the central Arizona project in the event of flow shortages, will not become applicable.

A compromise feature of the bill which makes good economic and financial sense is that which provides for a central Arizona project Granite Reef aqueduct having a capacity of up to 3,000 cubic feet per second if such capacity is found to be feasible.

This provision relates to both the annually fluctuating supply of water available from the river under present conditions, and to planning for eventual augmentation of that supply. The original Granite Reef Aqueduct designed capacity was only 1,800 cubic feet per second. With this built-in physical limitation, no more than 1.2 million acre-feet of water annually could ever be diverted into central Arizona. We all know that there will be some years in which more than that will be available—available, but not usable unless there is adequate aqueduct capacity to deliver it. Any such available surplus can be used to proportionately reduce ground-water pumpage and thus store the extra water against years of reduced Colorado River water availability.

In addition to that advantage of greater aqueduct capacity, there is the obvious one that, with greater capacity, Arizona will be physically able to utilize some part of the increased water supply which will eventually become available from the Colorado River through augmentation by whatever means is found to be most feasible. Building to a greater capacity now will save many millions of dollars at a later date when costs will have very substantially increased.

Flexibility of designed capacity is thus in the national interest as well as being advantageous to Arizona. We understand that the 3,000 cubic feet per second is intended to set the capacity unless studies indicate a reduction thereof is essential under the construction feasible. Arizona is satisfied with this provision and appreciates the agreement and support of her sister States.

In examining the bill in more or less orderly fashion, I must at this point make a brief reference to a matter that is of great significance to users of water along the Gila River. In 1935 the U.S. District Court for the District of Arizona decreed—Globe Equity No. 59—certain water rights which have been the subject of legal disputes and negotiation among water users. It very definitely is not the intent of the Congress in any way to increase, diminish, alter, affect, or disturb the validity, if any, of Globe Equity No. 59 by the reference to it in section 301(a)(3) and section 304(f)(3) of this bill.

This Congress can take justifiable pride in the manner in which it has re-

solved the sticky problem of power generation required for the central Arizona project. The misguided but effective campaign of the preservationists who opposed the construction of hydroelectric power dams on the mainstream of the Colorado River between Hoover Dam and Glen Canyon Dam brought this problem to us in a forceful manner. This bill provides a moratorium on construction of dams in this reach of the river unless such dams are authorized by some future Congress.

Many water leaders in the Colorado River Basin States are firmly convinced that the proposed dams would have actually enhanced the value of the river and that the dams should have been built. Despite this feeling, it was the decision of the Congress to eliminate the dams even though the powerplants at these dams could have contributed so much to the central Arizona project, and to the economic and social welfare of two needy Indian tribes in Arizona.

Substituted for the hydroelectric dams, as a source of energy for pumping central Arizona project water is a prepurchase plan calling for a cooperative approach with the utility industry. The Secretary of the Interior will be authorized to make arrangements with non-Federal interests to acquire the right to a portion of the capacity and associated energy from large thermal powerplants to serve project purposes.

It is recognized that such a plan may result in the Bureau having excess energy for pumping from time to time. The disposition of excess power and energy acquired under the prepurchase plan will include negotiating power banking arrangements with the utilities in the area. This accords with the Secretary's testimony before the House and Senate committees.

Cooling water required for such a thermal electric generating plant located in Arizona will be acquired by contract with the Secretary of the Interior and shall be from the available portion of the 50,000 acre-feet allocated to Arizona annually by the Upper Colorado River Basin compact. We in Arizona, including the Navajo Indian Tribe whose lands comprise virtually all of Arizona's upper basin areas, agree that this use for that water is the best economic purpose to which it can be dedicated.

Although this bill makes no reference to the fact, it is nonetheless true that if the presently unused portion of the 50,000 acre-feet allocated to Arizona by the upper basin compact proves to be inadequate for the thermal plant operation, the Secretary is not precluded from making, under existing laws, short-term sales of presently surplus Colorado River water to operators of the proposed thermal plant in Arizona.

One other provision of this bill bearing on acquisition of power for central Arizona project pumping and augmentation of the Lower Colorado River Basin fund requires clarifying comment.

The language of section 303(b)(1) might be misinterpreted to require completely finalized formal contracts for the purchase of power generated at thermal plants to be built by non-Federal inter-

ests before the Secretary of the Interior could advance any Federal funds for purchase of generating capacity. Because of the complexity of such contractual negotiations, and the need to place orders for large generators and other major equipment by no later than January 1, 1969, letters of intent or other suitable understandings between the Secretary and plant participants will be deemed an adequate basis upon which the Federal Government can make its share of construction progress payments as such payments become due.

Those provisions of the bill which provide benefits for the upper basin have Arizona's support. I refer to benefits other than the primary one, which, of course, is the provision for investigations of river augmentation and the all-important assumption of the Mexican Treaty burden as a Federal obligation.

For the State of Utah, the Dixie project is reauthorized to make it eligible for repayment participation in the Lower Colorado River Basin development fund. Again, this represents a compromise in the interest of basinwide unity.

The bill authorizes six projects in the upper basin, one of which benefits both Colorado and New Mexico; four of which benefit Colorado only; and one in Utah. Collectively, these projects when completed will go a long way toward achieving utilization of the upper basin's share of Colorado River water. And in this case, too, Arizona agrees in the interest of regional unity.

Early in the period of negotiated and agreed-upon compromise, Arizona accepted the concept of a Lower Colorado River Basin development fund as a means of financing repayment of lower basin States projects, including the central Arizona project, and of financing whatever means is developed for augmentation of the water supply in the Colorado River beyond the Federal responsibility for the Mexican Treaty obligation.

Arizona did not anticipate being given separate treatment under the terms of the fund provision, and although we now accept those terms, we do so again only as a concession to the overriding need for regional unity.

The central Arizona project participates in the disbursement of moneys from the fund only to the extent of the surplus available from her usage of power from Hoover and Parker-Davis generating plants and the Pacific Northwest-Southwest intertie.

In summary, gentlemen, I ask for approval of the conference report. Arizona's life depends upon it. Her hope of continuing and expanding her role in the future of this great Nation of ours is wrapped in this legislative package. Beyond that we share with our sister States of the Colorado River Basin the belief that in this bill we have honestly faced and resolved problems of water resource development in a manner that opens a new era of regional accommodation and cooperation. We believe we have established a pattern that will serve the essential goals of all other States and regions as they, too, come to grips with the increasingly complex nature of water supply development.

Bringing peace to the Colorado River States—and that is what we believe this bill accomplishes—may be a small thing in a world that is torn by suspicion and ugly conflict, but where can a better beginning be made in peacemaking than here in our own land among our own people?

The Bible suggests that if we cast our bread upon the waters it will be returned to us again.

Arizona faithfully casts its bread upon the waters of regional cooperation. We trust that our act of faith will be rewarded by this act of the Congress.

Mr. STEIGER of Arizona. Mr. Speaker, will the gentleman yield to me?

Mr. UDALL. I yield to the gentleman from Arizona.

(Mr. STEIGER of Arizona asked and was given permission to revise and extend his remarks.)

Mr. STEIGER of Arizona. Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Arizona [Mr. UDALL].

[Mr. STEIGER of Arizona addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Arizona [Mr. RHODES].

(Mr. RHODES of Arizona asked and was given permission to revise and extend his remarks.)

Mr. RHODES of Arizona. Mr. Speaker, I thank my colleague for yielding to me. Although I am not completely in accord with all of its provisions, I support the conference report. This is a great day for the West and for the State of Arizona. I wish to congratulate the members of the Committee on Interior and Insular Affairs for the job that they have done.

Mr. HANSEN of Idaho. Mr. Speaker, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Idaho.

(Mr. HANSEN of Idaho asked and was given permission to revise and extend his remarks.)

Mr. HANSEN of Idaho. Mr. Speaker, I urge adoption of the conference report.

The conference report is infinitely better legislation than the bill which passed the House authorizing the Colorado River project in that it does not transfer to the entire United States, en toto, the obligation of the Colorado River Basin States under the United States-Mexican Water Treaty of 1944, but rather stipulates that they pay their pro rata share of any project built.

Another feature of the conference report that is superior to the House-passed bill is the amendment offered by the gentleman from Colorado, the distinguished chairman of the House Committee on Interior and Insular Affairs [Mr. ASPINALL], and Senator LEN B. JORDAN of my State of Idaho, which instructs the Secretary of the Interior not to undertake any study leading to the importation of water into the Colorado River Basin during the next 10 years from any other river basin.

This moratorium, Mr. Speaker, will give States in other river basins sufficient time in which to justify their own

long-range water needs. It is absolutely essential for their continued growth and progress that this be done.

It has been a long time, Mr. Speaker, since the great State of Arizona first proposed their own central Arizona project, and I am pleased that the language of this bill will make their dream at last come true.

I would like to commend both House and Senate conferees for the statesman-like approach they took in ironing out the differences in the House and Senate versions of this bill, and particularly I commend the gentleman from Colorado [Mr. ASPINALL] and Idaho's distinguished Senator LEN B. JORDAN for the solution they reached in allowing the State of Idaho and the other States of the Pacific Northwest the time needed to study their water resources and future needs. It has been a great pleasure working with House conferees on this matter and I am deeply gratified that they were able to see and support our position on this all-important aspect of the bill.

Mr. Speaker, again I urge adoption of the conference report.

Mr. ASPINALL. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. WYATT].

Mr. WYATT. Mr. Speaker, I thank the gentleman from Colorado for yielding this time to me.

This is indeed a great day for us in the West. In the 4 years that I have been on the House Committee on Interior and Insular Affairs this has been the major project and the big item that we have been considering. I could not sit through these hearings without compassion and real sympathy for the people of the Southwest and for our colleagues here in the House and on the Senate side with regard to the problems that they have had. Particularly I would like to note that we in the Northwest attempted to take an affirmative approach to this. I was a cosponsor of the bill authorizing Federal participation in the Bolsa Island plant, which is unfortunately running into great difficulty. Many of us have had a great interest in desalting and new techniques which have been developed with regard to that throughout the world. I personally visited 14 installations. We have not been negative in our attitude on the matter. I would particularly like to commend the conferees for the agreement they have achieved as represented by this report and would like to express my particular appreciation and gratitude to the chairman of the committee and to the ranking Republican member of the committee for the strong efforts that they have made during the last 4 years to accommodate the interests of the Northwest.

This has been done in this conference report. I had to vote "no" in committee and voted "no" on this bill when it came up for consideration on the floor of the House. However, today I am going to vote "yes" and I am proud of this vote and I congratulate the conferees for the job which they have done.

Mr. DELLENBACK. Mr. Speaker, will the gentleman yield?

Mr. WYATT. I yield to the gentleman from Oregon.

Mr. DELLENBACK. Mr. Speaker, I would like to associate myself with the remarks of my colleague, the distinguished gentleman from Oregon [Mr. WYATT]. There is no single more important item in the Far West, embracing the Southwest as well as the Northwest, than water. We in the Northwest are deeply concerned that the water needs of our friends in the Southwest be adequately taken care of, without damage to the water requirements of the Northwest. I believe that the compromise of conflicting desires achieved in this conference report is fair to all sides.

Mr. Speaker, I have joined my colleague from Oregon in following very closely the progress of S. 1004. In its earlier form I strongly opposed it when it was before the House for action. But in its amended form as it appears before us today in this conference report, I shall support it.

Mr. ASPINALL. Mr. Speaker, I yield 1 minute to the gentleman from Colorado [Mr. ROGERS].

(Mr. ROGERS of Colorado asked and was given permission to revise and extend his remarks.)

Mr. ROGERS of Colorado. Mr. Speaker, I am happy to urge the adoption of the conference committee report on S. 1004. This bill is of vital concern to the rapidly growing States of the Western United States. It represents the best of the work of many individuals from those States who have worked diligently and long these past years. Enactment of the bill into law will be a great step forward in helping the people of the Colorado River Basin resolve numerous problems and controversies which have been created by the rapid population growth and dwindling water supplies.

I am especially pleased that the committee saw fit to include as a part of this bill two sections which affect only the State of Colorado. These sections are section 501(e) and section 501(f). The city and county of Denver being the First Congressional District of Colorado, which I have the privilege of representing, derives a significant portion of its water supply from the major tributaries of the Colorado River. Because of its dependence upon that source of water, it is vitally concerned with any Federal legislation affecting the Colorado River. Enactment of these two sections into law will help to eliminate the concern which has arisen because of this legislation.

My interest in these provisions stems from the fact that Green Mountain Reservoir is located on the Blue River, one of the major tributaries of the Colorado River, from which the Denver metropolitan area now derives a part of its water supply. That area must necessarily look to this river for increasingly large amounts of its supply to support its future growth. Denver's rights to the use of this water, created by the people of Denver at a cost of more than \$70 million, are closely tied in with the operation of Green Mountain Reservoir under Senate Document No. 80, 75th Congress, first session, by reason of the incorporation of certain provisions of that document in that decree of the U.S. District Court for the District of Colorado which defines the rights of both the United States and Denver in the Blue River.

Under the law, the definition of those rights by the court is simply a description of what Denver and the United States, as appropriators, did to create their respective rights. In describing the rights of the United States therefore, the court, rather than presuming to intrude upon the functions of Congress, merely copied the language of Senate Document No. 80 without interpreting it. Since question exists, not as to any court interpretation, but as to the Congress purpose in creating Green Mountain Reservoir, it is appropriate that only Congress resolve any problem relating to this Federal property which may have arisen out of this congressional document.

In reporting on sections 501(e) and 501(f), the Committee on Interior and Insular Affairs of this House, stated in its report on H.R. 3300—Report No. 1312, 90th Congress, second session, at pages 81 and 82:

In the administration of projects authorized by this Act or by the Colorado River Storage Project Act that are within or for the sole benefit of Colorado, the Secretary is required to comply with the laws of Colorado with respect to priority of appropriation and with respect to Federal and State Court decrees entered pursuant to such laws, in the diversion and storage of water. The Committee understands this requirement to mean that diversion and storage rights for these projects will be junior to existing rights recognized under Colorado law. This is merely a reaffirmation of the rule of law that would apply in any event. The Secretary is also directed to obtain the approval of the State of Colorado to any operating principles he may decide to adopt for these projects. The Secretary is not required, however, to adopt any operating principles. The Committee does not intend this language to interfere with the executive discretion of the Secretary in contracting for the sale and distribution of water.

Subsection (f) has been included in the legislation in order to give congressional interpretation to the meaning of the words "any western slope appropriations" that appear in paragraph (i) of the section of Senate Document No. 80, 75th Congress, 1st session, entitled "Manner of Operation of Project Facilities and Auxiliary Features." The meaning of these words which this subsection approves is the same as that approved by the Colorado Water Conservation Board. The section of Senate Document No. 80 referred to provides for three principal water components of the Colorado-Big Thompson Federal reclamation project; namely, for diversion of water to the eastern slope of Colorado, for storage of replacement water, and for storage of water for use in western Colorado. The replacement water (52,000 acre-feet) and water for use in western Colorado (100,000 acre-feet) are stored in Green Mountain Reservoir in western Colorado.

The last sentence of paragraph (g) of the particular section of Senate Document No. 80 in question says:

"The 100,000 acre-feet of storage in said reservoir shall be considered to have the same date of priority of appropriation as that for water diverted or stored for transmountain diversion."

This quoted sentence is subsequently qualified by paragraph (i) of the same section which, with reference to the Colorado River Compact, states, in part, as follows:

"Notwithstanding the relative priorities specified in paragraph (g) herein, if an obligation is created under said compact to augment the supply of water from the State of Colorado to satisfy the provisions of said compact, the diversion for the benefit of the eastern slope shall be discontinued in advance of any western slope appropriations."

The Committee was informed that there

has been considerable misunderstanding within the State of Colorado as to the effect of the additional projects herein authorized when viewed in the light of the above quoted provisions of Senate Document No. 80. Although the misunderstandings may be less real than they appear, the Committee agrees to resolving the matter by approving the interpretation of the words "any western slope appropriations" to mean and refer to the appropriation heretofore made for storage in Green Mountain Reservoir on the western slope of Colorado. It is the view of the Committee that any other interpretation would interfere with water rights vested by law in prior appropriators, and that the approved interpretation defines and observes the purpose of said paragraph (i) of Senate Document No. 80, and does not, in any way, affect or alter any rights or obligations arising under Senate Document No. 80 or under the laws of the State of Colorado.

This matter concerning Senate Document No. 80 affects no other State than Colorado. If it did, as a Member of the national Congress, I would have to exercise my judgment, not only from the local viewpoint but from the viewpoint of national interest as well. Here I have no such problem; the State of Colorado has spoken officially through its water conservation board, its legislature, and its Governor who testified before the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs of this House on May 9, 1966—pages 1044 and 1045 of serial No. 89-17, part II, hearings on H.R. 4671 and similar bills, 89th Congress, second session.

Governor Love, in the following quoted testimony, refers to sections 501(d) and 501(e) of H.R. 4671, then pending before the committee. Sections 501(e) and 501(f) of the conference committee report on S. 1004 are now identical with sections 501(d) and 501(e) of H.R. 4671, respectively. Governor Love said at that time:

Because it is of interest to the State of Colorado only, I would like to call the committee's attention to sections 501(d) and 501(e) in title V of the committee print. We always have an educational problem in Colorado concerning reclamation projects, and I presume the same is true in other States. In planning any project there are always rumors circulated to the effect that the Federal Government is attempting to destroy vested water rights. While this has never been the case in our State, we feel that the matter is of sufficient importance to justify the insertion of a section directing the Secretary to comply with the priority of water rights established under our State Constitution. Actually, each project has always been planned by the Secretary on this basis. Nevertheless, from our viewpoint, it is highly desirable to have the Congress approve the language of section 501(d). We are not attempting in any way to interfere with the discretion of the Secretary in entering into appropriate contracts for the sale and distribution of water from the projects under his jurisdiction.

The current controversy concerns the meaning of the words "any western slope appropriations." It appears clear enough from the document that such words apply only to the priority of water in Green Mountain Reservoir for use in western Colorado, as set forth in paragraph (g). Any other interpretation would do violence to rights vested by law in prior appropriations.

Since it is a congressional document which creates the problem, we feel that it is necessary to have the matter clarified by the Congress. It is not our intention that any rights in western Colorado to the use of water from Green Mountain Reservoir be diminished or

impaired. We ask only that the intent of Senate Document No. 80 be observed by all parties.

The Colorado Water Conservation Board, the official water policy group of the State of Colorado, when considering this problem at its meeting of February 8, 1966, in official action, adopted the following position:

While the misunderstanding may be more vexatious than real, it now appears necessary that this Board adopt, as a matter of state policy, an interpretation of paragraph (i) of the section of Senate Document No. 80 entitled "Manner of Operation of Project Facilities and Auxiliary Features." This interpretation is that the words "any western slope appropriations" in said paragraph (i) mean and refer to the appropriations heretofore made for storage in Green Mountain Reservoir. This interpretation defines and observes the purpose of said paragraph (i), and does not, in any way, affect or alter any rights or obligations arising under Senate Document No. 80 or under the laws of the State of Colorado.

The Colorado Water Conservation Board was not a party to nor heretofore has taken any position on Senate Document No. 80. It is now the position of the Board that it ratifies, confirms, and accepts all of the provisions of Senate Document No. 80, 75th Congress, 1st Session, as though it were originally a party signatory to said document, subject to the interpretation of paragraph (i) as above set forth.

The congressional interpretation of the meaning of paragraph (i) of Senate Document No. 80 as stated in section 501(f) and the official adoption by the State of Colorado of the provisions of Senate Document No. 80, including the interpretation of paragraph (i) thereof as contained in section 501(f), along with section 501(e), wherein the Secretary is directed to comply with operating principles, if any, adopted by the Secretary and approved by the State of Colorado, give further assurance that the intent of paragraph (i) of Senate Document No. 80 will be observed by all parties. That intent as clarified by section 501(f) was expressed in my question to the chairman of the Committee on Interior and Insular Affairs of this House on May 15, 1968, during the debate on H.R. 3300—CONGRESSIONAL RECORD, volume 114, No. 83, page H3838. My question was:

Do you understand that the effect of section 501(f) is to cast the burden of providing water for a Lee Ferry deficiency upon all the water rights on the Colorado River within Colorado in the order of their priority under state law?

To which the chairman replied: "Yes, I do."

With sections 501(f) and 501(e) in the bill, I give my wholehearted support to its passage.

Mr. ASPINALL. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. FOLEY].

(Mr. FOLEY asked and was given permission to revise and extend his remarks.)

[Mr. FOLEY addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. ASPINALL. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. PELLY. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I am delighted to yield to the gentleman from Washington.

(Mr. PELLY asked and was given permission to revise and extend his remarks.)

Mr. PELLY. Mr. Speaker, I too wish to join with the gentleman from Washington in commending the members of the conference committee for the manner in which they have worked out this problem, especially with respect to our water problem in the Pacific Northwest. All of us who represent the State of Washington feel that they did a very good job and we are very grateful to them for considering this matter in the way and in the efficient manner in which agreement on the controversy was reached.

Mr. Speaker, I too voted "no" when this legislation was under consideration in the House originally. However, I am going to support the conference report today.

Mr. ASPINALL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Utah [Mr. BURTON].

(Mr. BURTON of Utah asked and was given permission to revise and extend his remarks.)

Mr. BURTON of Utah. Mr. Speaker, I rise in support of the conference report. Water and its use is the life and death of this country. More specifically, and more important to my part of the country: water from the Colorado River.

The Colorado River bill, is the culmination of 46 years of give and take, problems of water rights, debate, and finally a House-Senate conference to iron out the problems.

It is understandable that the seven basin States should have problems, but other States have been concerned, too. After all, the water from the Colorado has been a life source for millions of people, an untold number of farmlands, and has been a source of water for our friends to the south, in Mexico.

It was fitting that the House version of the legislation included many projects of importance to the people of Utah.

If I might, Mr. Speaker, I would like to mention a few of these important Utah projects which have been given the green light by this conference report.

First there is the important Dixie project. The House saw the problem of the Senate's acceptance of only \$42 million, certainly not enough money for the project. The House reauthorized the project, and the conferees accepted \$58 million, a more reasonable figure.

The report today also authorizes the \$43 million Uintah unit, the first segment of the comprehensive Ute Indian unit, and a planning acceleration of the Ute Indian unit by a 6-year stepup, from 1980 to 1974.

And of interest to the entire basin States was the lessening of the burden of delivery water, under the Mexican treaty, to Mexico. The bill now stipulates the burden be a national obligation rather than just one for the basin States.

These are just a few of the major point of interest to my constituents which are a part of this legislation.

Mr. Speaker, I think the legislation finalized by the House-Senate conferees is excellent. It was an honor to serve on the conference and to have worked harmoniously with its distinguished members. I, for one, am proud of the job we did.

Mr. LLOYD. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Utah. I yield to the gentleman from Utah.

(Mr. LLOYD asked and was given permission to revise and extend his remarks.)

Mr. LLOYD. Mr. Speaker, I thank the distinguished gentleman from Utah for yielding to me at this time and I wish to associate myself with his remarks.

Mr. Speaker, I, too, would like to pay my compliments to the distinguished chairman of the House Committee on Interior and Insular Affairs as well as to the ranking minority Member for engineering a realistic compromise accommodating many of the objectives of all the various interests of the States involved. Also I would like to compliment my colleague from Utah, the Honorable LAURENCE J. BURTON, who as a member of the conference committee joined in support of the conference report. He has rendered great service to his State.

Mr. Speaker, it has been suggested by some that in the course of the conferees' meetings on this important legislation that the conferees had retreated from the matter of reconnaissance studies on augmenting the Colorado River, and that the State of Utah and other States of the upper basin had lost something in the shuffle. I submit that this is not the case. There is much in the final package drawn up by the conferees of vital importance to the water development of Utah and the entire Colorado River Basin. Among the provisions in the conference report are:

First. Language to make the Mexican Water Treaty burden a national obligation, rather than an obligation to be borne by the Colorado River Basin States.

Second. Provisional authorization for the \$43,782,000 Uintah unit of the central Utah project.

Third. Reauthorization of an enlarged \$58 million Dixie project for southwestern Utah.

Fourth. A provision setting a deadline of 1974 for planning reports on the Ute Indian unit, largest and final unit of the central Utah project.

Although there is a proviso in the conference report delaying for 10 years reconnaissance studies for augmenting the Colorado River, it has been noted by the Central Utah Water Conservancy District that:

Within the terms and conditions of the Colorado River Compact, by this legislation and from testimony presented at hearings on this legislation, water will be available for all the units of the central Utah project.

I believe the conference report represents a workable compromise among the Western States, and I wholeheartedly urge its immediate adoption.

I note for the record the resolutions from the Central Utah Water Conserv-

any District and the Utah State Board of Water Resources supporting the conference report. They are incorporated herein. I join with the many other Utahans to compliment my colleague, LAURENCE J. BURTON, on the work he has done as a member of the conference committee.

The resolutions follow:

CENTRAL UTAH WATER CONSERVANCY DISTRICT RESOLUTION

Whereas, the text of language has been agreed upon by the Senate and House Conferees for the Colorado River Basin Project Act, and

Whereas, the agreed to language includes:

(1) authority for the Secretary of Interior to conduct a comprehensive investigation for the purpose of developing a general plan to meet future water needs of the Western United States;

(2) that the satisfaction of the Mexican Water Treaty is a national obligation;

(3) the conditional authorization of the Uintah Unit of the Central Utah Project;

(4) a priority of planning status for the Ute Indian Unit of the Central Utah Project;

(5) the reauthorization, at a higher cost, of the Dixie Project and its participation in a lower Colorado River Basin Development Fund;

(6) the reaffirming of the Colorado River Compact and provisions for the establishment of operating criteria for the Colorado River;

(7) directives that the consumptive use of water in the upper basin available from the Colorado River System under the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin; and

Whereas, the language includes an unfavorable proviso which directs that the Secretary of Interior shall not, for a ten year period, undertake a reconnaissance study of any plan for the importation of water into the Colorado River from any other drainage basin lying outside the States or portion of States of the Colorado River drainage basin; and

Whereas, within the terms and conditions of the Colorado River Compact, by this legislation and from testimony presented at hearings on this legislation, water will be available for all the units of the Central Utah Project; now, therefore be it

Resolved, That the Directors of the Central Utah Water Conservancy District recognize the difficulty in development of this important legislation—however believe the benefits that will accrue to the District and to the State of Utah from this legislation merits its support and encourage Utah's Congressional Delegation to support its passage; and be it further

Resolved, That copies of this resolution be provided to the Governor of the State of Utah, Utah's Congressional Delegation, Director of the Utah Division of Water Resources, Utah's Upper Colorado River Commissioner, and other interested parties.

RESOLUTION OF THE BOARD OF WATER RESOURCES

Whereas, the Senate and House Conferees have agreed on language on the Colorado River Basin Project Act, and

Whereas, the report of the Conferees will be considered by both houses of Congress in early September, and

Whereas, the time for compromise and further amending the legislation is past since the report must be either accepted or rejected, and

Whereas, the legislation contains items of great interest and benefit to the State of Utah, and

Whereas, the legislation represents the best overall compromise that can be achieved at this time; Now, therefore be it

Resolved, That the Board of Water Resources, in view of its statutory responsibilities in interstate stream matters, recommends to the Governor and to Utah's Congressional Delegation that they individually and collectively use their influence, give active support, and work to secure the final passage of the Colorado River Basin Project Act as reported by the House and Senate Conferees.

Mr. ASPINALL. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HOSMER].

Mr. HOSMER. Mr. Speaker, I rise in support of the conference report.

(Mr. HOSMER asked and was given permission to revise and extend his remarks.)

Mr. HOSMER. Mr. Speaker, I believe there are still certain matters that should be made clear. Although the gentleman from Pennsylvania views the terms of the bill to be what he considers a unilateral change in the treaty with Mexico, I believe the conferees by and large regarded it not as any such change in our obligations to Mexico, which of course could not be made by Congress in any event, but rather as a domestic change in positioning the burden of the Mexican Treaty. I would like to make that attitude clear for the record.

Also with respect to the complaint of the gentleman from Pennsylvania about what he chooses to call an alleged "guarantee" to California. The fact is that this bill does not guarantee California 4.4 million acre-feet of water annually. Rather, its provisions are an extension of the gradually developing water shortage formula for the Colorado River which has been taking shape by agreement among the States for several decades. And the fact that it is a fair and equitable extension of the shortage formula is evidenced by the fact that gentlemen from Arizona today arose, as did the other Representatives from other affected States, to express approval of these provisions and to urge favorable action on the conference report. Once such a group of States and their Representatives in Congress can agree on a bill in relation to such a vital matter as water in their arid States and a whole region of the Nation, then it must be a fair compromise and I believe the Congress should approve it.

Mr. ASPINALL. Mr. Speaker, I yield 1 minute to the chairman of the subcommittee, the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON of California. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, and Members of the House, I am very happy to be able to come here today and support the conference committee report. I want to say that as far as California is concerned, we are very well satisfied with the agreement that has been reached on the river.

I want to say to the chairman of the full committee that he is to be commended for the fine way in which he has handled this matter this year, and certainly his participation in the conference

brought about the compromise that was necessary for all of the people to agree on this report for the most part.

I am very sorry that the gentleman from Pennsylvania did not see fit to sign the conference report, but I am sure nothing in here will be of any detriment to any areas of the United States.

It has been a pleasure for me to have worked with all of the people from the basin States that are affected, in perfecting this piece of legislation. It will resolve our problems for now. We can go ahead with planning and development.

I certainly hope we adopt the report this afternoon.

Mr. ASPINALL. Mr. Speaker, I yield myself 30 seconds to advise my colleagues that as soon as the previous question is ordered I shall ask for a quorum call.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. ASPINALL. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

CALL OF THE HOUSE

Mr. ASPINALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The gentleman requests a straight quorum call?

Mr. ASPINALL. That is correct, Mr. Speaker.

The SPEAKER. The gentleman from Colorado makes the point of order that a quorum is not present, and evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 308]

Adair	Eckhardt	Martin
Anderson, Ill.	Evans, Colo.	Matsunaga
Andrews, Ala.	Evins, Tenn.	May
Andrews, N. Dak.	Fallon	Miller, Calif.
Arends	Flynt	Mink
Ashley	Fraser	Monagan
Ashmore	Fulton, Tenn.	Moore
Baring	Gallagher	Moorhead
Barrett	Gardner	Morris, N. Mex.
Berry	Gray	Pirnie
Betts	Gubser	Poage
Blatnik	Gurney	Rarick
Bolling	Halleck	Resnick
Bolton	Hansen, Wash.	Ronan
Brown, Calif.	Hays	Roudebush
Brown, Ohio	Hébert	Ruppe
Cabell	Herlong	Satterfield
Carey	Holifield	Scherle
Casey	Ichord	Schweiker
Clancy	Jacobs	Sikes
Clawson, Del.	Johnson, Pa.	Sisk
Colmer	Jones, Mo.	Skubltz
Conyers	Karsten	Smith, N.Y.
Corman	Kee	Snyder
Cowger	King, Calif.	Stafford
Cunningham	Kleppe	Stephens
Davis, Ga.	Kyl	Stubblefield
Dawson	Landrum	Sullivan
Delaney	Long, La.	Teague, Calif.
Denney	McClory	Teague, Tex.
Derwinski	McCloskey	Walker
Dickinson	McDade	Wiggins
Diggs	McMillan	Yates
Dow	Machen	
	Mailliard	

The SPEAKER. On this rollcall 326 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORT ON S. 1004, CENTRAL ARIZONA PROJECT

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 20, COMPREHENSIVE REVIEW OF NA- TIONAL WATER RESOURCE PRO- BLEMS AND PROGRAMS

Mr. ASPINALL. Mr. Speaker, I call up the conference report on the bill (S. 20) to provide for a comprehensive review of national water resource problems and programs, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. HALL. Mr. Speaker, reserving the right to object, I would like to ask the distinguished chairman of the Committee on Interior and Insular Affairs if it is his intent to take a little time during which to explain the results of the conference between the two bodies, and to explain as to whether or not any amendments which were added are germane, or other points of interest to the members, to the bill as changed in conference from its structure as passed in the House.

Mr. ASPINALL. Mr. Speaker, if my distinguished colleague from Missouri will yield I shall advise him that at the right time I shall take some time to do what he desires.

May I say to my distinguished colleague from Missouri that as soon as we dispense with the reading of the statement of the managers on the part of the House I shall take 2 or 3 minutes during which to explain just what is contained in the conference report.

Mr. HALL. Mr. Speaker, I appreciate the response of the gentleman from Colorado and, therefore, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

(For conference report and statement, see proceedings of the House of Sept. 4, 1968.)

Mr. ASPINALL. Mr. Speaker, to review briefly what is involved in this legislation, it authorizes the establishment of a seven-member National Water Commission to conduct a comprehensive review of national water resource problems and programs and to report thereon to the President and to the Congress within 5 years from the date of the act. The Commission must work closely with the Water Resources Council and the river basin commissions established pursuant to the Water Resources Planning Act, and with Federal agencies and States.

The conference version of S. 20, which we bring back to the House today, is identical to the House version with one exception. The committee of conference rejected a provision in the House language which would have prohibited the appointment to the Commission of retired Federal officers or employees. There was agreement in conference that such a restriction on membership would be inappropriate and unnecessary. Nevertheless, because of the intended non-Federal nature of the Commission, the conference committee was in general agreement that only in unusual circumstances would it be appropriate for the President to appoint a retired official who has been closely involved in Federal water activities.

Mr. Speaker, the President has stated that this Commission will be composed of the very best minds in the country and that it will examine our major water problems and develop recommendations for the most effective use of available water resources. I hope that the President's appointments not only are recognized authorities in the water field but that they are men who recognize that the complicated and controversial water issues of this Nation can only be settled through negotiations and understanding among all levels of government and all parties and interests involved. Recommendations are of no value unless they are susceptible of fulfillment. The National Water Commission has a difficult job to do. I hope it will be successful in accomplishing its mission.

Mr. Speaker, I urge the adoption of the conference report on S. 20.

(Mr. SAYLOR asked and was given permission to extend his remarks at this point in the Record.)

Mr. SAYLOR. Mr. Speaker, I rise in support of the conference report on S. 20, a bill to provide for a comprehensive review of national water resource problems and programs.

This legislation passed the House on July 12, 1967, and proposes the establishment of a seven-member National Water Commission to conduct a comprehensive review of the problems, programs, and management of our national water resources. The Commission's activities will involve a Federal expenditure of approximately \$5 million and will report its findings to the President and the Congress within 5 years from the date of enactment.

The members of the Commission are to be appointed by the President and utilize an outside-Government approach to evaluate our national water resource problems and programs. The Commission is also charged with the responsibility of developing recommendations and long-range plans for the more effective use of our water resources.

The major difference resolved by the committee on conference between the two Houses concerned the language in the House bill which prohibited appointment to the Commission of retired officers and employees of the Federal Government. This provision was placed in the bill as an amendment which I had the privilege to sponsor because one of the major prem-

ises upon which the administration justifies the need for this legislation is the need for "an outside-Government approach to the problem," and the need "to have distinguished outside people who can detach themselves from the vested interests that Government agencies have."

The conference committee adopted the position that the language prohibiting retired officers and employees of the Federal Government from serving on the Commission was too restrictive. On the other hand, the conference committee has expressly stated its general agreement in the statement of managers on the part of the House, that only in unusual circumstances should a retired Federal official or employee be appointed to serve as a member of the Commission.

Mr. Speaker, the task envisioned by this legislation for a Nation Water Commission is an enormous job to be accomplished. It is with some degree of optimism that I anticipate this Commission's work will bring order out of chaos in the more than 50 Federal agencies now involved in water resource activities and management. If the Commission is to carry out its mandate the number of Federal agencies involved in water resource activities should be curtailed.

Mr. Speaker, I urge the adoption of the conference report.

Mr. REINECKE. Mr. Speaker, the conference report on S. 20 is now before this body. Its adoption together with similar action by the Senate presents a great opportunity to advance the welfare of the entire Nation by establishing a National Water Commission.

This Commission is directed, within a 5-year period, to conduct a study of the entire water resources problem of our country; to consider the economic and social aspects of water development programs, including alternative means; and the impact of water resources development on regional economic growth, institutional arrangements, and esthetic values affecting the quality of life of the American people.

The Commission is to consist of seven members appointed by the President, none of whom shall be an officer or employee of the Federal Government while serving at the pleasure of the President.

This will assure a fresh approach for institutional prejudices and commitments will be eliminated.

There are now 38 Federal agencies involved in some aspect of water resource activities. It is almost certain that there is duplication, overlapping, and a working to cross-purposes, and that many crucial problems exist. The National Water Commission study would reveal these, and after consideration, in depth, of alternative means of development of our precious water resources, provide to the President and the Congress the basis for a considered judgment and decision as to the most efficacious and desirable means of development.

The Senate Select Committee on National Water Resources in 1959 completed a broad-based study of the Nation's water resources and needs which served admirably as an informed

DIGEST of Congressional Proceedings

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Issued September 13, 1968
For actions of September 12, 1968
90th-2nd. No. 148

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HIGHLIGHTS: House passed scenic rivers bill. Senate passed Oreg. wilderness bill. House received conference report on trails bill. House agreed to conference report on Redwood Park bill.

SENATE

WATER RESOURCES. Agreed to the conference report on S. 1004, to authorize the central Arizona reclamation project. This bill will now be sent to the President. pp. S10648-73

Agreed to the conference report on S. 20, to provide for a comprehensive review of national water resource problems and programs by a National Water Commission. This bill will now be sent to the President. p. S10636

Passed without amendment H. R. 9362, to authorize the Mountain Park reclamation project, Okla. (p. S10633). This bill will now be sent to the President.

2. LANDS. The Interior and Insular Affairs Committee reported without amendment H. R. 1340, to authorize the Secretary of the Interior to accept donations of lands for, and to construct, administer, and maintain an extension of the Blue Ridge Parkway, N.C. and Ga. (S. Rept. 1537). p. S10643

The Interior and Insular Affairs Committee reported with amendment S. 3406, to amend the act providing for admission of Alaska into the Union in order to extend the time for filing applications for selection of certain lands by such State (S. Rept. 1567). p. S10643

3. WILDERNESS. Passed as reported S. 2751, to designate the Mount Jefferson Wilderness, Willamette, Deschutes, and Mount Hood National Forests, Oreg. pp. S10632-3
4. NATIVES. Agreed to without amendment S. Con. Res. 11, to encourage development of programs to bring American Indians and Alaska natives to a social and economic level of fully participating citizens. pp. S10634-5
5. BANKRUPTCY LAWS. Passed without amendment S. J. Res. 100, to create a commission to study the bankruptcy laws of the U. S. p. S10630
6. COMMITTEE ASSIGNMENTS. Sen. Goodell, N.Y., was assigned to the Agriculture and Forestry Committee; and Sens. Percy, Ill., and Brooke, Mass., to the Government Operations Committee. Sen. Hatfield, Oreg., was transferred from the Agriculture and Forestry Committee; and Sens. Hansen, Wyo., and Baker, Tenn., from the Government Operations Committee. Other assignments were also made. p. S10647
7. NOMINATION. Received the nomination of Ted J. Davis, Okla., to be an Assistant Secretary of Agriculture. p. S10714
8. HORSES. Sen. Mansfield inserted a statement from the Bureau of Land Management which states Interior Department has set aside a 31,000 acre wild horse and wildlife range in the Pryor Mountains along the Mont.-Wyo. border. pp. S10635-6
9. TAXATION. Sen. Anderson submitted an amendment intended to be proposed by him to S. 2767, to strike section 5 of the soil conservation bill to exempt certain organizations from taxes on any profits made in the competitive advertising business. p. S10646
10. ANTIDUMPING CODE. Sen. Tydings criticized including the antidumping code amendment in the renegotiation bill. pp. S10673-4
- HOUSE
11. TRAILS. Received the conference report on S. 827, to establish a nationwide system of trails (H. Rept. 1891). The conference report contains these provisions: Reaffirms the importance attributed to the development of these

The PRESIDENT pro tempore. The certificate will be read.

The certificate of appointment was read and ordered to be placed on file, as follows:

STATE OF NEW YORK,
Executive Chamber.

To the PRESIDENT OF THE SENATE OF THE
UNITED STATES:

This is to certify that, pursuant to the power vested in me by the Constitution of the United States and the laws of the State of New York, I, Nelson A. Rockefeller, the Governor of said State, do hereby appoint Charles E. Goodell, a Senator from said State to represent said State in the Senate of the United States until the vacancy therein, caused by the death of Robert F. Kennedy, is filled by election as provided by law.

Witness: His excellency our Governor Rockefeller, and our seal hereto affixed at Albany, New York, this tenth day of September, in the year of our Lord 1968.

By the Governor:

NELSON A. ROCKEFELLER,
Governor.

JOHN P. LOMENZO,
Secretary of State

The PRESIDENT pro tempore. If the Senator-designate will present himself at the desk, the oath of office will be administered to him.

Mr. GOODELL, escorted by Mr. JAVITS, advanced to the Vice President's desk; the oath of office prescribed by law was administered to him by the President pro tempore; and he subscribed to the oath in the official oath book. [Applause, Senators rising.]

RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess for 5 minutes for the purpose of greeting our new distinguished colleague.

The PRESIDENT pro tempore. Without objection, it is so ordered.

At 12 o'clock and 34 minutes p.m. the Senate took a recess until 12 o'clock and 39 minutes p.m.

On the expiration of the recess, the Senate reassembled, and was called to order by the Presiding Officer [Mr. HARRIS in the chair].

COMMITTEE ASSIGNMENTS

Mr. DIRKSEN. Mr. President, I submit a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read the resolution (S. Res. 391) as follows:

S. Res. 391

Resolved, That the Senator from Massachusetts [Mr. BROOKE] and the Senator from Illinois [Mr. PERCY] are hereby excused from further service on the Committee on Aeronautical and Space Sciences; that the Senator from Oregon [Mr. HATFIELD] is hereby excused from further service on the Committee on Agriculture and Forestry; and that the Senator from Wyoming [Mr. HANSEN] and the Senator from Tennessee [Mr. BAKER] are excused from further service on the Committee on Government Operations; and be it further

Resolved, That the Senator from Illinois [Mr. PERCY] and the Senator from Massachusetts [Mr. BROOKE] be and they are hereby assigned to service on the Committee on Government Operations; that the Senator from Oregon [Mr. HATFIELD] be and he is

hereby assigned to service on the Committee on Aeronautical and Space Sciences; that the Senator from Wyoming [Mr. HANSEN] be and he is hereby assigned to the Committee on Commerce; that the Senator from Tennessee [Mr. BAKER] be and he is hereby assigned to service on the Committee on the Judiciary; and that the Senator from New York [Mr. GOODELL] be and he is hereby assigned to service on the Committee on Agriculture and Forestry and to the Committee on Aeronautical and Space Sciences; and be it further

Resolved, That the assignment of Minority members to service on the Committee on Foreign Relations be as follows: Messrs. HICKENLOOPER, AIKEN, CARLSON, MUNDT, CASE, COOPER, and WILLIAMS of Delaware.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution (S. Res. 391) was considered and agreed to.

THE NUCLEAR NONPROLIFERATION TREATY

Mr. GORE. Mr. President, political tensions, political strains, and political motivations characterize an election year in the United States. To state this obvious fact is not to condemn it. It is rather to recognize and acknowledge the situation in which the Senate must now act.

Nevertheless, the world does not stand still while the United States elects a President.

There are certain matters so vital to America's internal vitality and to external security that action on them simply must not be postponed while a few men vie for the U.S. Presidency. I refer in particular to the Nuclear Nonproliferation Treaty that is now pending in the Senate Foreign Relations Committee.

It has been suggested, Mr. President, that ratification of this treaty be postponed until next year or until such time as the attitude of the Soviets toward other nations in Eastern Europe be clarified. I urge that those who have advanced these suggestions reconsider and withdraw them.

I hope it is possible for me to suggest that consideration of this treaty should be devoid of partisanship while freeing myself of such motivations. I am surely free of such an intent, and this is by no means a new attitude on my part.

Indeed, Mr. President, it has been my pleasure and honor while representing the Senate as delegate-adviser over a period of years to the nuclear weapons test conference and to the 18-Nation Disarmament Conference to work in a nonpartisan manner with a series of distinguished Republican statesmen through three Presidential administrations.

I first went to Geneva as a delegate to the nuclear weapons test conference in 1958. At that time, President Eisenhower's ambassador and chairman of the U.S. delegation in Geneva was the Honorable James Wadsworth. Another distinguished member of the minority party with whom it was a pleasure to work in a thoroughly nonpartisan way, was the Honorable John McCloy.

President Kennedy named the Honorable Arthur Dean, an able New York diplomat and lawyer, as his ambassador

to the nuclear weapons test conference. Our working relations were easy and pleasant with never a partisan tinge.

During President Johnson's administration I have worked with Ambassador William Foster, himself a distinguished member of the minority party.

With all of these men, as well as with my distinguished counterpart on the Senate Foreign Relations Committee, the very distinguished senior Senator from Iowa, the Honorable BOURKE HICKENLOOPER, the work has been pleasant and entirely free of partisanship.

It is in this spirit and from 10 years of bipartisan experience in this delicate but important field that I urge my colleagues and that I urge candidates for President and Vice President to keep this matter of nuclear weapons free of partisan politics. The national interest requires it.

The search for some formula to control the spread of nuclear weapons has been an important and urgent task for three administrations. President Eisenhower stressed that one of the purposes of a test ban agreement was to control the spread of nuclear weapons. The late Secretary of State, John Foster Dulles, emphasized the pressing problem of nuclear proliferation before the United Nations General Assembly in October of 1957. Mr. Dulles said:

We want to end the risk that nuclear weapons will be spread promiscuously throughout the world, giving irresponsible persons a power for evil that is appalling to contemplate.

Mr. President, the late President Kennedy stated in March of 1963 that in the 1970's the President of the United States might be forced to face a world "in which 15 or 20 or 25 nations" would have nuclear weapons. President Kennedy regarded such a situation as "the greatest possible danger and hazard" to the United States.

During the discussion and debate on the limited test ban treaty President Kennedy stressed that the partial test ban would inhibit the spread of nuclear weapons and cited this fact as a major justification for Senate approval of the treaty. That approval was given when the Senate gave its advice and consent to the partial test ban in 1963. President Kennedy and the overwhelming majority of Senators who voted for the test ban treaty were of the hope that this treaty would open the way to an agreement to prevent the spread of nuclear weapons.

I remind my colleagues that in 1966, 99 Senators declared themselves in favor of Senator PASTORE's resolution commending the President for his serious and urgent efforts to negotiate an international agreement limiting the spread of nuclear weapons. Are we now to turn our backs on all that we have professed to believe and many of us have fought for?

Now after 4 years of careful and arduous negotiations, the efforts of three administrations are threatened by an injection of partisanship. I earnestly urge the inadvisability of this and urge its withdrawal.

Eighty-one nations have already signed this multilateral treaty, including the Soviet Union and Great Britain. The prospects for even wider adherence are

bright indeed. Despite this great promise, the nonproliferation treaty is now threatened even in this country if it is thrust into the passions of a political campaign.

Even if the suggestion is not withdrawn, the U.S. Senate cannot afford to yield, must not yield to it.

If ex cathedra statements of foreign policy by presidential candidates are to become substitutes for the judgment of Members of the Senate we will have moved a long way toward alteration of our system of government.

If candidates for President wish to present views on the nonproliferation treaty and persuade the Senate that it should defer action on the treaty there is a proper forum.

That forum is the Committee on Foreign Relations.

I am sure there would be no difficulty in arranging for any presidential candidate to express his views in public to the committee where his views can be tested by elected representatives of the people.

This treaty did not, before Czechoslovakia—and does not now after Czechoslovakia—signify that the Soviet Union had abandoned the basic objectives of Soviet foreign policy. We did not conclude the treaty on the basis of any such assumption. I do not base my support of this treaty on any mistaken belief that Soviet adherence to the treaty indicates Soviet communism has abandoned its ambitious designs any more than I think our ratification of it would constitute an endorsement of Communist moves or motives.

The Soviet Union, for her part, joined in negotiating this treaty, I take it, for the same reason that we did—her security interests.

We and they have a common interest in the avoidance of nuclear war. And the reason is a simple one; we and they have the most to lose and suffer from a nuclear war. We also have a mutual interest in avoiding the further spread of nuclear weapons.

Among other things, the Czechoslovakian invasion serves to remind any who may need reminding of the nature of those who lead the Soviet Union, and of the steps which they are prepared to take to achieve their objectives.

But Soviet repression in Czechoslovakia does not change the basic reasons for support of this treaty. The reasons justifying our adherence to the treaty today are unchanged from what they were when it was negotiated. It is in our own national interest to discourage the proliferation of nuclear weapons.

Although we condemn, and rightly so, the action taken by the Soviet Union in Czechoslovakia, this Soviet aggression does not lessen the necessity to take such action as may be available to us to prevent an increase in the number of nations possessing the power to plunge the world into a nuclear holocaust.

The world is looking to the United States for further leadership in this dangerous matter. We have the obligation to provide the leadership.

Next Tuesday, Mr. President, the Senate Foreign Relations Committee has scheduled a vote on this pending treaty.

I shall then move that the nonproliferation treaty be favorably reported to the Senate. More is here at stake than a national political campaign. I trust my colleagues will bear in mind that our responsibilities here go far beyond the inauguration in January; our responsibilities go to the very future of our children and to the future of mankind.

CENTRAL ARIZONA PROJECT— CONFERENCE REPORT

Mr. JACKSON. Mr. President, I submit a report to the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1004) to authorize the construction, operation, and maintenance of the central Arizona project, Arizona-New Mexico, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of September 4, 1968, pp. H8231-H8236, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being on objection, the Senate proceeded to consider the report.

PRIVILEGE OF THE FLOOR

Mr. JACKSON. Mr. President, I ask unanimous consent that members of the staff who are involved in the pending conference report be permitted the privilege of the floor during consideration of the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, the House of Representatives amended the bill as passed by the Senate by striking all after the enacting clause and substituting the text of a new bill. The House version retained most of the substance of the provisions of the Senate bill. However, in a number of cases the House included modifications reflecting different points of view and recent developments in negotiations among the States involved. In addition, the House version included provisions which extended the scope of the bill to matters which were not included in the Senate version at all.

The conference report represents a sound compromise worked out during seven meetings of the conferees. The two versions of this very complex bill were examined in detail by the conference committee and the report which I present today should, in my judgment, be acceptable to all of the many States and interests which are involved. It is, I believe a sound and constructive culmination of a very difficult problem which has been before the Congress for more than two decades.

The bill recommended by the conference committee will authorize construction of the central Arizona project without any hydroelectric dams on the lower Colorado River. It will establish a Lower Colorado River Basin development fund

to assist in the repayment of the costs of water resource development in the basin. It will authorize construction of five Upper Colorado River Basin projects, conditionally authorize one more, and provide for a study program leading to future development in the upper basin. It will provide needed financial assistance and authorize additional appropriations for the Dixie project in Utah. It will establish guidelines for the operation of existing storage reservoirs on the Colorado River. It will provide for water supply studies of the long-range problems of the Southwest and simultaneously establish a moratorium on importation studies which threaten the water resource potential of other regions. Finally, it will make the satisfaction of the requirements imposed upon the Colorado River by the terms of the treaty with Mexico a national obligation, but it will provide important safeguards concerning the timing and extent of that obligation.

The conference committee recommends that the Senate adopt the compromise version of the bill. The significant points on which the conference committee's version differs from the bill as passed by the Senate are as follows:

TITLE I

Section 101: The title of the measure is the "Colorado River Basin Project Act" and reflects the expanded scope of the measure which now goes beyond authorization of the central Arizona project.

Section 102: This section, which was not included in the Senate version, expresses the intent of the Congress regarding this legislation.

TITLE II

This title involves investigation and planning work which was not included in the provisions of the Senate version. The language recommended by the conference committee is a compromise, and is significantly different from the provision of the House version.

Section 201: This section directs the Secretary of the Interior to conduct, under his existing general authority as set forth in reclamation law, full and complete reconnaissance investigations to develop a general plan to meet the future water needs of the States lying wholly or partly west of the Continental Divide. These investigations are to be coordinated with the studies presently underway under the provisions of the Water Resources Planning Act of 1965.

This directive to the Secretary is not intended to change the existing relationships among the Federal agencies with regard to the river basin commissions or other entities performing the function of a river basin commission which are presently involved in conducting comprehensive water resource planning in the Western States. The directive is not intended to add to or detract from the scope of the planning work being conducted under the provisions of the Water Resources Planning Act, nor is it intended to change in any way the means of financing that planning work. The only impact which this legislation might have upon the studies being conducted under the Water Resources Planning Act would be that, to the extent practicable,

the methods and procedures used in those studies would be adjusted to facilitate the use of data and results in the investigation directed herein.

The Secretary of the Interior under the direction provided in this measure would perform whatever additional reconnaissance level investigations are necessary to complete the comprehensive reconnaissance report required by this measure. These additional studies would be funded by appropriations authorized by title 204 of this act. The final report is to be completed by June 30, 1977.

Under existing provisions of reclamation law the Secretary has the authority to perform reconnaissance studies subject only to appropriation of funds for the work. A provision of section 201, as recommended by the conference committee, however, would restrict the Secretary's authority for a period of 10 years to prohibit him from undertaking reconnaissance studies of any plan for the importation of water into the Colorado River Basin from any other natural river drainage basin lying outside the States of Arizona, California, Colorado, New Mexico, and those portions of Nevada, Utah, and Wyoming which are in the natural drainage basin of the Colorado River.

This prohibition will provide a 10-year moratorium on efforts to initiate such studies. It will give adjacent basins the time to inventory their future water needs and supplies, and it will provide time for technological advances and research into the complex water supply and water quality problems now being approached by new programs at local, State, and Federal levels.

During the moratorium, studies can proceed within the river basins of the West to define problems and plan projects. Within the States enumerated above, studies can proceed of potential augmentation by desalting of sea water, weather modification, and water transfer from the northern California region of abundant water supply.

Section 202 declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation. If a means of augmentation is found to be feasible and when an augmentation project has been authorized by the Congress and is in operation, the first obligation of such a project will be the satisfaction of the treaty requirement. While such a project is in operation of a size sufficient to supply the water requirement of the treaty and associated losses, the States of the Colorado Basin will be relieved of their obligations under the Colorado River compact to supply water for delivery to Mexico.

Section 203 provides protection to any areas from which water may in the future be imported to augment the Colorado River. It provides a prior right over the export project to all present or future uses in such areas of origin in perpetuity.

Section 204 authorizes appropriations in the amount necessary to carry out the provisions of title II.

TITLE III

This title includes the provisions authorizing the central Arizona project.

The physical features and other provisions of the central Arizona project authorization are, with a few exceptions, identical to those included in the Senate version of the bill.

Section 301(a) authorizes construction of the central Arizona project. It differs from the Senate version in the following ways:

First. The Senate version would authorize a Granite Reef Aqueduct having a capacity "of not less than 3,000 cubic feet per second." While the House version would authorize a capacity "not to exceed 2,500 cubic feet per second." The conference committee recommends compromise language authorizing a canal which "may have a capacity of 3,000 cubic feet per second or whatever lesser capacity is found to be feasible" along with language regulating the permissible time of operation of the capacity of the canal above 2,500 cubic feet per second.

It was the intention of the conference committee that the Granite Reef Aqueduct capacity be authorized to be 3,000 cubic feet per second. The qualifying phrase "or whatever lesser capacity is found to be feasible" is intended only to provide latitude for the Secretary to decrease the size of the aqueduct if compelling unforeseen technical or financial reasons are discovered during detailed preconstruction surveys which would make such a reduction in the best interest of the project beneficiaries.

Second, the conference committee recommends adopting the language of the House version concerning the Hooker Dam in New Mexico. The Senate and House versions both would authorize the construction of this feature of the central Arizona project, however, the House version would authorize Hooker Dam and Reservoir "or suitable alternative." This language would provide the Secretary with an opportunity to reevaluate the potential reservoir sites on the Upper Gila River in New Mexico. The conference committee believes that it is appropriate to provide latitude for further study of the alternatives.

Section 301 (b) and (c): These sections provide California a priority of right to water of the Colorado River over the central Arizona project in perpetuity or unless augmentation works are in operation which insures that 7.5 million acre-feet of water annually are available in the Lower Colorado River for use in California, Arizona, and Nevada. This language was adopted, instead of the language of the Senate version, limiting the priority to a term of 27 years, as part of a compromise between Arizona and California on provisions which primarily affect those States.

Section 302: This section provides certain reimbursements and privileges to the Salt River Pima-Maricopa Indian and the Fort McDowell-Apache Indian communities in return for land which will be required for the construction of the Orme Dam and Reservoir of the central Arizona project. The Senate version did not include specific provisions for such compensation. The provisions recommended by the conference committee, although still liberal, represent a considerable reduction from those of the House version. The cost of the com-

pensation will become part of the land acquisition costs of the central Arizona project and as such will be subject to repayment by the project beneficiaries under the provisions of reclamation law.

Section 303: In both the Senate and House versions of the bill, the Secretary of the Interior is authorized to enter into arrangements with non-Federal utilities to acquire by prepayment of costs the right to capacity in large thermal-electric powerplants. Pumping power required for the central Arizona project would be obtained in this manner to eliminate the necessity for the construction of hydroelectric dams on the lower Colorado River.

The conference committee recommends the adoption of language which would authorize such prepayment arrangements but including language of the House version which provides for further study and a report by the Secretary of alternative sources of such power. The Secretary, however, is not permitted to consider hydroelectric dams in the Colorado River among these alternatives. If prepayment is recommended, the Secretary is authorized to proceed without further congressional action.

The conference committee further modified the language of this section to provide for the possibility that prepayment arrangements involving more than one thermal powerplant may be found to be advantageous to the Federal Government. If so, the Secretary is authorized to enter into agreements in more than a single plant.

Section 304: The conference committee adopted language of the House version which was not included in the Senate version to provide for further exchanges to New Mexico of Colorado River water for Gila River water in the amount of 30,000 acre-feet annually if the Colorado River should be augmented such that sufficient water in excess of 2,800,000 acre-feet per year for consumptive use in Arizona is available to meet the requirement of the exchange.

Section 305: This section was adopted from the House version. It provides that, in the event augmentation is implemented, the Secretary is directed to the extent possible to make 7.5 million acre-feet of water available to the Lower Colorado River Basin water users at the same cost and terms as if main stream water were available to supply all of this consumptive use. The costs of the augmentation water in excess of the charge to the water users would be assigned to the Mexican treaty obligation as provided in this bill or repaid from the development fund established by this bill.

Section 306: The conference committee recommends adoption of the House language which is similar to language of the Senate version authorizing the Secretary to undertake water salvage programs on the Colorado River. The Senate language, however, did not make such programs mandatory as does the adopted language.

Section 307: Both versions of the bill provided for the integration of the authorized Dixie project in Utah into the Lower Colorado River Basin Development Fund which would be established by this bill. The House version also pro-

vides for an increase in the amount authorized to be appropriated to construct the project. Geologic conditions discovered during preconstruction planning necessitated revisions in the project plan, and both repayment assistance and increased appropriations are necessary to make the Dixie project viable. The conference committee recommends adoption of the House version.

Section 309: The amount authorized to be appropriated for construction of the central Arizona project is \$832,180,000—which is the amount included in the Senate version indexed to April, 1967 price levels—plus \$100,000,000 for distribution systems. These figures are in accord with the cost estimates for the project including a main aqueduct capacity of 3,000 cubic feet per second.

TITLE IV

This title establishes a Lower Colorado River Basin development fund which will receive surplus revenues from Hoover Dam, the Parker-Davis project, the Pacific Northwest-Pacific Southwest Intertie, and the central Arizona project. The development fund would provide repayment assistance to the central Arizona project and the Dixie project and help finance future water resource development in the Lower Colorado River Basin. Both the Senate and House versions included provisions establishing such a fund. The language recommended by the conference committee differs from the Senate version in the following points:

Section 401. This section provides for the allocation of costs of projects authorized in this act or in the future to various purposes including "the replenishment of the depletion of the Colorado River flows available for use in the United States occasioned by performance of the Water Treaty of 1944 with the United Mexican States." It further provides that the costs allocated to the Mexican Treaty replenishment shall be nonreimbursable.

These provisions were not included in the Senate version. The conference committee recommends the adoption of the House version but with a proviso prescribing the method of making the allocation to the replenishment of the Mexican Treaty deliveries. This proviso would require a pro rata allocation of the costs of any augmentation works based upon the ratio of water supplied for the treaty replenishment to the total capacity of the augmentation works. This method of allocation will insure that the costs borne by the general public under the provisions of this bill will not exceed an equitable part of the total cost of any augmentation proposal.

Section 403: The provisions for operation of the development fund differ from those of the Senate version in that first, repayment assistance for the central Arizona project is restricted to surplus revenues from the intertie and those derived from the sale of power and energy from the Boulder Canyon and Parker-Davis projects for use in Arizona; and, second, the revenues remaining in the development fund after making payments provided for in the bill are dedicated to the financing of augmentation works which may be au-

thorized in the future. The Senate version, first, made development fund revenues from all sources available for assistance to the central Arizona project; and, second, provided that the remaining revenues would be available to assist future water resource projects in the basin, not only augmentation projects.

Section 404: This section requires the Secretary to submit annual progress reports on project costs and repayment which were not required in the Senate version.

TITLE V

This title authorizes construction and feasibility studies of projects in the Upper Colorado River Basin. Both the Senate and House versions included such provisions. The version recommended by the conference committee differs from the Senate version in the following points:

Section 501: In addition the five upper basin projects which were authorized for construction in the Senate version, the Uintah unit of the Central Utah project would be conditionally authorized. Construction of the unit could not be initiated, however, until the Secretary has submitted a feasibility report to the Congress and the Congress has authorized the appropriation of funds for the construction.

A proviso is included requiring the planning report for the Ute Indian unit of the central Utah project to be completed on or before December 31, 1974.

Appropriations in the amount of \$392,000,000 are authorized for the construction of five upper basin projects. This is the amount authorized in the Senate version indexed to April 1967 construction price levels.

A proviso is included which requires that the Secretary proceed as nearly as is practicable with the construction of five upper basin projects concurrently with construction of the central Arizona project.

In the administration of projects authorized by this act or by the Colorado River Storage Project Act that are within or for the sole benefit of Colorado, the Secretary is required to comply with the laws of Colorado with respect to priority of appropriation and with respect to Federal and State court decrees entered pursuant to such laws, in the diversion and storage of water. The committee understands this requirement to mean that diversion and storage rights for these projects will be junior to existing rights recognized under Colorado law. This is merely a reaffirmation of the rule of law that would apply in any event. The Secretary is also directed to obtain the approval of the State of Colorado to any operating principles he may decide to adopt for these projects. The Secretary is not required, however, to adopt any operating principles. The committee does not intend this language to interfere with the executive discretion of the Secretary in contracting for the safe and distribution of water.

TITLE VI

This title covers general provisions, definitions, and conditions.

Section 601: A provision has been

added—subsection 601(c)—which was not in the Senate version. Under the terms of subsection (c) any affected State may institute suit in the U.S. Supreme Court, and the United States may be joined as a party, in the event that any Federal officer or agency fails to comply with the provisions of the act or with the laws, treaty, interstate compacts, and court decree named in subsection (a) of section 601. The committee understands that this subsection relates to the storage and release of water from all Federal reservoirs and to the operation and maintenance of all Federal facilities in the Colorado River system from sources outside the drainage area of that system.

Section 602: This section provides guidelines for the establishment of operating criteria for the existing storage reservoirs on the Colorado River. Language which was not in the Senate version has been included to recognize the possibility of future augmentation of the river. The deadlines for the proposal and adoption of the criteria have been postponed in recognition of the probable time of enactment of this measure.

Section 604: A proviso has been deleted which was included in the Senate version requiring that the sale or disposition of power obtained by prepayment for the central Arizona project and surplus to the project requirements shall be in accordance with the provisions of section 9 of the act of August 4, 1939, as amended. It is the understanding of the conference committee, however, that such sales of project power will be made in conformance with the provisions of section 9 of the 1939 act and that the provision is unnecessary in this bill.

Section 605: This section removes a portion of the Lower Colorado River from the licensing authority of the Federal Power Commission. The intent of the section is to retain congressional control over future decisions concerning construction of hydroelectric dams in the vicinity of the Grand Canyon. The Senate version made this provision applicable to the reach of the river between Lake Mead and the present western boundary of the Grand Canyon National Park. The version recommended by the conference committee would extend the reach to include all of the river between Hoover Dam and Glen Canyon Dam.

Section 606: A definition of the term "augment or augmentation" has been added which was not previously required in the Senate version because no augmentation provisions were included in the bill.

Mr. MAGNUSON. Mr. President, I take this opportunity to express my personal admiration for the outstanding leadership of my friend and colleague, Senator JACKSON, in gaining conference committee agreement on the language of the central Arizona project and Colorado River Basin project legislation.

For many, this outstanding accomplishment will undoubtedly be obscured by the more "dramatic" developments of the day. This is unfortunate because the conference committee under the leadership of Senator JACKSON has struck a dramatic blow for comprehensive plan-

ning of resource use in the United States. The implications go far beyond the immediate problems of the Southwest or the Northwest.

The House bill specifically authorized and directed studies for diverting water from the Northwest and other areas into the Colorado River. Not only was Senator JACKSON successful in seeing that this provision was stricken from the final legislation, but he was also successful in obtaining agreement on new legislative language which would eliminate for a period of 10 years the Secretary of Interior's existing authority to make specific studies of water diversion proposals in the Western States.

The 10-year moratorium will provide the States of the Pacific Northwest with the time to complete the comprehensive inventory of their land and water resources which are now in progress. It will provide time to complete long-range plans for the development of water resources—plans which are based on sound and adequate data and which have been carefully considered. It will remove the threat which compels us to use our water or lose it regardless of whether we have had time to evaluate the best use. In short, it gives us an opportunity to study our own water problems and our own pollution problems without having the threat of diversion constantly present.

As Senator JACKSON has said, the next 10 years should represent a period of relative peace in the West on the issue of water diversion. The legislation as now written will shift the emphasis from the argument over whether water diversion represents a cure-all solution of Southwest water problems to an active effort of the Federal Government to look at all the possible solutions. This is really all that we in the Pacific Northwest have been urging for so many years. Through his uncommon expertise and determination, Senator JACKSON has ushered in a new period of enlightenment during which the Federal Government will look at the total picture of water use in the western part of the United States. It is a recognition that diversion may not be the panacea for Southwestern water problems and rather that we must look at all the pieces of the puzzle and answer hard questions regarding the total water needs of the Western States without focusing attention on only one problem-area. It will provide for a systematic approach—the study will be concerned with present water resources in each river basin, but equally important it will evaluate present and prospective requirements of the areas within and contiguous to the river basins in question.

Once again, let me say that we in the Northwest are very happy with the results of this conference. But this is not merely a sectional or regional victory. It is a triumph for the entire United States because it establishes a standard which can be utilized in disputes over water which may arise in the future and because it may lead to the solution of a controversy which has plagued the entire West for decades.

Mr. ANDERSON. Mr. President, today we are approaching the achievement of a major water resource goal which has been under active consideration by the

Congress intermittently for two decades. Approval of the central Arizona project, which represents Arizona's stake in the overall development of the Colorado River Basin, has been the dream of the senior Senator from Arizona [Mr. HAYDEN] for a much longer time. Ever since I became privileged to serve the State of New Mexico in the U.S. Senate, I have concentrated my own efforts toward realizing the full potential offered the arid Southwest by full and wise development of the water resources of the Colorado River Basin.

The way has been difficult. Bills passed the Senate in both the 81st and 82d Congresses, but even then the complexity of the issues and their importance to the Basin States made it impossible to achieve an acceptable solution. Twelve years of litigation in the Supreme Court were necessary to resolve only one part of the controversy.

With the passage of years, the population growth of the lower Colorado River Basin has been tremendous. The issues have become more complex and have included wider areas. Concern over the proposal is now westwide and even national in scope. At times the conflict has seemed insurmountable.

Because of this history, I am particularly gratified at the wide acceptance which the conference report has achieved. I fully support the compromise recommended by the conference committee and I consider it a great accomplishment in water resource legislation.

The conference committee's bill provides for the construction of the central Arizona project works which will permit Arizona to obtain the water it has established a right to and which will provide the only foreseeable additional water to southwestern New Mexico. At the same time, the bill takes definite steps toward finding solutions to the long range water shortages which face the Colorado River Basin. The provisions for a basic study of future water supply in the Western States and for the Federal assumption of the Mexican Water Treaty obligation are the key to the continued expansion of the basin's economy. They are vital to all of the States of the basin.

The bill contains a number of other provisions, each of which is important in its own right. It authorizes a program of water resource project construction and investigation for the Upper Colorado River Basin; it established guidelines for the operation of the existing storage reservoirs on the Colorado River; and it resolves much existing controversy.

It is my hope that Senators will join me in my gratification that we have been able to achieve this compromise. I urge the acceptance of the conference report.

Mr. HAYDEN. Mr. President, I am very pleased that the House and Senate conferees have been able to reach agreement on the Colorado River Basin Act, authorizing the construction of the badly needed central Arizona project in my own State.

Although there have been years and years of hard work, both in and out of Congress, court suits—and some acri-

monious comments between representatives of interested States—the bill now before the Senate is a good example of what can be accomplished when men of good will get together with a determination to reach a fair and equitable result.

The central Arizona project literally means life and continued prosperity to my State. This project is essential to maintain the growing economy of Arizona.

I think that development of a comprehensive water resources program for the Colorado River Basin, the establishment of a Lower Colorado River Basin Development Fund, and the authorization of projects in the Upper Colorado River Basin are all desirable and do much to recommend approval of the bill.

Certainly our efforts to obtain this legislation have been long and arduous. The bill that we have before us is a compromise measure, hammered out on the anvil of negotiation. As is invariably the case with the product of any negotiation, there are certain aspects of the final solution which some parties to the negotiation would prefer to have had compromised in a different fashion. S. 1004 as now before us is no exception; however, considered in its entirety, it is a good bill, and I urge favorable consideration and action.

The bill provides a "shortage formula" which gives California a priority over central Arizona project water uses for the beneficial consumptive use of 4.4 million acre-feet of water annually—when there is less than 7.5 million acre-feet of mainstream Colorado River water available for use by the Lower Basin States. Arizona has long contended and still believes that her rights in and to the water of the Colorado River to the extent of 2.8 million acre-feet are on a parity with California's rights to 4.4 million acre-feet. In the Senate version of this legislation I reluctantly conceded to California—as an act of grace and comity—a guarantee of 4.4 million acre-feet as against the central Arizona project for a period of 27 years. In the House of Representatives this guarantee was made perpetual, but the impact of it insofar as the State of Arizona is concerned was and is, in my opinion, largely negated by virtue of the assumption by the United States of the financial obligation necessary to provide water in amounts sufficient to meet the Mexican Treaty obligation. It was this assurance—provided in the House version of S. 1004—that persuaded me to recede from the position I took in the Senate and to accept the House version of this troublesome issue.

The Senate version of S. 1004 provided that the Granite Reef aqueduct have a capacity of not less than 3,000 cubic feet per second. The House version required that the capacity of the Granite Reef aqueduct not exceed 2,500 cubic feet per second. This issue was settled by the conferees on the basis that the aqueduct would have a capacity of 3,000 cubic feet per second unless it is demonstrated by the Secretary of the Interior that such a capacity would not be feasible. In the latter event the capacity of the aqueduct would be established as the largest capacity less than 3,000 cubic feet per sec-

and which is feasible. During the hearings on this legislation the Secretary has testified that studies indicate the feasibility of this project improves as the capacity of the Granite Reef aqueduct is increased up to at least 3,800 cubic feet per second. We therefore consider that under the terms of this legislation the 3,000 cubic feet per second is as a matter of practical fact both the maximum and minimum capacity for the Granite Reef aqueduct.

I have long been aware that there is an internal problem within my own State relative to the validity of the Globe Equity Decree No. 59, which sets forth certain legal rights in and to certain waters of the Gila River. The conference report on S. 1004 contains two references to the Gila River decree; one in section 301(a) and another in section 304(f) (1). It was not the intention of the conferees that reference to the Gila River decree—Globe Equity No. 59—in any manner affects any legal right to the use of Gila River water which exists at the time of this legislation. The existing rights along the Gila River are, therefore, neither enhanced nor impaired by reference to the Gila River decree in this legislation.

There has been a great deal of discussion as to the meaning of the word "augmentation" as set forth in S. 1004. Section 603(g) of the bill defines the words "augment" and "augmentation" of the Colorado River supply as any increase of the available supply in the river which is a result of an introduction of water into the mainstream or its tributaries which introduction is in addition to the natural supply of the system. Since the purpose of this bill is "to provide a program for further conservation development of the Colorado River and for the provision of additional and adequate water supplies for use in the Upper as well as in the Lower Colorado River Basin, there can be no doubt that new water added to the system whether by importation, desalting of sea water, brackish waters, weather modification, watershed treatment, salvage or any other means, is in fact an augmentation of the "natural supply of the system." Certainly the conferees intended that meaning.

As we are aware, the conference report on S. 1004 eliminates the construction of the hydroelectric power dams which were at one time proposed on the Colorado River. At one time these dams were the subject of intensive and bitter opposition by preservationists who were of the opinion that construction of dams in the Grand Canyon should not be permitted. The current legislation provides for no such dams and further provides that no permits shall be issued by the Federal Power Commission on that reach of the mainstream of the Colorado River between Hoover Dam and Glen Canyon Dam until and unless otherwise provided by the Congress. I did not agree and I do not agree with the arguments made by the preservationists, who rose in opposition to construction of these dams, but I support the provision which eliminates this troublesome issue from the current legislation.

In lieu of the construction of hydroelectric dams, the conference report on S. 1004 provides that the Secretary of the Interior be authorized to make arrangements with non-Federal interests to acquire the right to a portion of the capacity and associated energy from thermal powerplants as needed to serve project purposes. It is recognized that such a plan may result in the Bureau of Reclamation having excess energy during periods of water shortage since the aqueduct cannot under such conditions utilize all of its pumping capacity. The disposition of such excess power and energy acquired under the prepayment plan will include negotiating power banking arrangements with the utilities in the area. This is in accord with the Secretary's testimony before committees in the Senate and the House.

This legislation provides that water needed for thermal electric generation plants will, to the extent that such plants are located in Arizona, be considered as a deduction from the 50,000 acre-feet of upper basin water to which Arizona is entitled under the terms of the Upper Colorado River Compact. Both the State of Arizona and the Navajo Indian Tribe have agreed that to the extent there is a need for consumptive use of water in Arizona for cooling purposes at thermal generation plants diverting from the drainage area of the Colorado River system above Lee Ferry shall be considered as consumptive use under the limitations of the 50,000 acre-feet apportioned to Arizona by article III(a) of the Upper Colorado River Basin compact. If this Arizona supply is inadequate for the needs of the thermal generating plants, the Secretary has the authority under existing law to make certain short term sales of presently surplus Upper Colorado River Basin water. If even more water is needed for these purposes, the Secretary is not in any way foreclosed by this legislation from making water available from the Navajo Indian Irrigation Project San Juan—CHAMA Act of June 13, 1962—76 Stat. 96—pursuant to the provisions of Public Law 87-483. It is not the intention of this legislation to in any way enlarge upon, diminish or otherwise affect the authority of the Secretary to make contracts for Colorado River water in the upper basin.

Under the terms of the conference report in Section 303(b) (1) the Secretary is prohibited from making funds available for the construction of thermal generating power plants under terms of the act until he has determined that adequate contractual arrangements have been entered into between all of the affected parties. It is not the intention of the conference committee to require finalization of all contracts before the advance of said funds is made for the purchase of generating capacity. Such a requirement would needlessly delay initiation of construction. It is common practice, and it is the intent of the conference committee that the Secretary be permitted to proceed on the basis of letters of intent or other suitable understanding with the plant participants.

The conference report on S. 1004 provides that Arizona's use of Lower Colorado River Basin development funds be limited to that portion of that fund derived from the sale of Hoover-Parker-Davis generation in Arizona plus the revenues derived from Arizona-Nevada portions of the Pacific Southwest Intertie, recognizing of course, in each instance the surplusage available from such sources to the Colorado River development fund is that which is available after repayment and operational costs have been deducted.

In the interest of legislative cooperation and comity the State of Arizona endorses those provisions of this legislation which will provide substantial benefits to each of the other States in the Colorado River Basin in the current Colorado River legislation. It is my sincere hope that this attitude on the part of the State of Arizona will be reflected in the attitude of the other six States so that we may jointly proceed to the time when we have not only constructed works to permit Arizona to utilize her fair share of the water of the Colorado River, but have also developed new sources of supply to meet the ultimate water requirements of every State in the Colorado River Basin. These requirements in some instances already exceed legal entitlements and in every instance will at some future date exceed the total water available to each State from the Colorado River.

I wish to reiterate my appreciation to those individuals, both in and out of Congress, who have worked so long and so hard to bring this legislation to its present status as set forth in the conference report on S. 1004. I respectfully urge speedy adoption of that report by this body.

Mr. BENNETT. Mr. President, I rise in support of the conference report on the Colorado River Basin project bill. Our good neighbors in Arizona have waited long enough for this project and I am glad that we are near the end of the road.

I would like to speak a few moments about the bill's effect on Utah in particular.

Thanks mainly to the efforts of Utah's Congressman LAURENCE J. BURTON, who was a key conferee during the time when the final action was taken, this legislation contains authorization for the important Uintah Unit of the central Utah project and the reauthorization of the Dixie project.

The Dixie and Uintah projects will be of great importance in helping Utah develop its share of Colorado River water. Utah is presently using only about 35 percent of its Upper Basin allocation. Even with a compact or decree, we Westerners know there is nothing like actual use to establish permanent right and ownership to water.

Studies for the Dixie project, which is in southern Utah on the Virgin River, began with the turn of the century. I had the privilege of introducing the first Dixie project legislation, and, thanks again to Congressman BURTON's efforts in the House, we finally got the bill

passed in 1964. However, preconstruction investigations revealed broken and porous subsurface conditions, at the location originally selected so that a new damsite had to be found. Results of the revisions made in the definite plan report, along with the increase in construction costs, now necessitate financial assistance from the Lower Colorado River Basin Development Fund.

The reauthorization of the Dixie project, with an additional \$15 million which will allow the revised project to be built, is of extreme importance to Utah. The Senate bill had only provided for a \$42 million Dixie project—far too little to cover estimated costs. The fine citizens in southern Utah have been most patient and cooperative in the overall water program, and I am pleased the Dixie project is at last to become a reality.

The \$43 million Uintah unit in northern Utah is also of extreme importance, and its passage will help keep faith with the Indians of the Uintah Basin who deferred the exercise of their own rights in order to provide a water supply for the Bonneville unit of the Central Utah project.

Although the bill does not contain everything we would like, we realize that all legislation is compromise, particularly legislation of this complexity. For Utah, the version worked out in the conference retained most of the best parts of the House bill. Besides authorizing the Dixie and Uintah projects the bill recognizes the Mexican Treaty as a national obligation and provides for the treaty's satisfaction from sources outside of the Colorado River Basin. This equitable and farsighted arrangement eliminates a potential legal controversy over the allocation of the treaty burden from a watershed river. California members of the conference suggested that California might be able to provide the needed water from its flood-ravaged northern counties. It is noteworthy that the Congress in this instance has laid down one of the guidelines for the West-wide water study.

I am particularly pleased with the wording in the bill which orders the Interior Department to get its report on the Ute Indian unit of the Central Utah project to us by 1974. This provision will make it possible for the State of Utah and the Congress to replace Indian water now used by the Bonneville unit by the year 2005.

Furthermore, the conference bill sets up criteria for the operation of Lake Powell to remove it from the whim of the Secretary of the Interior. Utahns well remember the disastrous drawdown ordered by Secretary Udall when the lake was in its early filling stage.

The bill's provision for a West-wide water study could lay the groundwork for an eventual augmentation of the Colorado River from sources outside the basin. With the complexities and economic considerations involved in regional planning, Congress has acted wisely in initiating the study now.

The augmentation study moratorium actually is no great obstacle, since it prevents only the Secretary of the Interior from conducting such studies. The Colorado Basin States still can make their own feasibility studies, and I recently proposed to the seven Colorado River

Basin State Governors and other key water officials that they join together immediately and initiate a study of augmenting future deficiencies in the Colorado River.

I admit that this is a major undertaking; however, much of the groundwork has already been accomplished. I recommend the Lower Basin States join with us in the Upper Basin—perhaps through our own Upper Colorado River Commission—appropriate funds from the State legislatures, and initiate the study as soon as practicable.

I am told by water experts that such an undertaking might take as much as \$500,000 per year. However, if the total is divided among seven or eight sources no one State or group would have to bear an excessive burden of the costs.

Many individuals have come forward with diversion schemes and while these indicate in general terms possible sources of supply, we all realize that we need further indepth studies to determine the amount of water and the time when it will be needed by the States and perhaps more importantly, we need to demonstrate the economic feasibility of these diversion projects.

The Colorado River Basin project has received overwhelming support from interested Utahans. I ask unanimous consent that the resolutions of the Board of Water Resources, the Central Utah Water Conservancy District, the Utah Water Users Association, the Washington County Water Conservancy District, and several editorials supporting the legislation be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE BOARD OF WATER RESOURCES

Whereas, the Senate and House Conferees have agreed on language on the Colorado River Basin Project Act, and

Whereas, the report of the Conferees will be considered by both houses of Congress in early September, and

Whereas, the time for compromise and further amending the legislation is past since the report must be either accepted or rejected, and

Whereas, the legislation contains items of great interest and benefit to the State of Utah, and

Whereas, the legislation represents the best overall compromise that can be achieved at this time;

Now, therefore be it resolved, that the Board of Water Resources, in view of its statutory responsibilities in interstate stream matters, recommends to the Governor and to Utah's Congressional Delegation that they individually and collectively use their influence, give active support, and work to secure the final passage of the Colorado River Basin Project Act as reported by the House and Senate Conferees.

CERTIFICATION

I certify that the foregoing is a true and accurate copy of a Resolution adopted by the Utah Board of Water Resources on August 23, 1968.

WAYNE WILSON,
Chairman of the Board.

CENTRAL UTAH WATER CONSERVANCY DISTRICT,

Orem, Utah.

RESOLUTION

Whereas, the text of language has been agreed upon by the Senate and House Con-

ferees for the Colorado River Basin Project Act, and

Whereas, the agreed-to language includes:

(1) authority for the Secretary of Interior to conduct a comprehensive investigation for the purpose of developing a general plan to meet future water needs of the Western United States;

(2) that the satisfaction of the Mexican Water Treaty is a national obligation;

(3) the conditional authorization of the Uintah Unit of the Central Utah Project;

(4) a priority of planning status for the Ute Indian Unit of the Central Utah Project;

(5) the reauthorization, at a higher cost, of the Dixie Project and its participation in a lower Colorado River Basin Development Fund;

(6) the reaffirming of the Colorado River Compact and provisions for the establishment of operating criteria for the Colorado River;

(7) directives that the consumptive use of water in the upper basin available from the Colorado River System under the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin; and

Whereas, the language includes an unfavorable proviso which directs that the Secretary of Interior shall not, for a ten-year period, undertake a reconnaissance study of any plan for the importation of water into the Colorado River Basin from any other drainage basin lying outside the States or portion of States of the Colorado River drainage basin; and

Whereas, within the terms and conditions of the Colorado River Compact, by this legislation and from testimony presented at hearings on this legislation, water will be available for all the units of the Central Utah Project;

Now, therefore, be it resolved, that the Directors of the Central Utah Water Conservancy District recognize the difficulty in development of this important legislation—however believe the benefits that will accrue to the District and to the State of Utah from this legislation merits its support and encourages Utah's Congressional Delegation to support its passage; and

Be it further resolved, that copies of this resolution be provided to the Governor of the State of Utah, Utah's Congressional Delegation, Director of the Utah Division of Water Resources, Utah's Upper Colorado River Commissioner, and other interested parties.

CERTIFICATE

I certify that the foregoing is a true and accurate copy of a resolution adopted by the Board of Directors of the Central Utah Water Conservancy District on August 9, 1968.

LYNN S. LUDLOW,
Secretary.

UTAH WATER USERS ASSOCIATION,
Salt Lake City, September 5, 1968.

HON. WALLACE F. BENNETT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BENNET: Development of the resources of the Colorado River Basin is vital to the State of Utah. Utah Water Users Association believe that the Text of Language Agreed upon Conferees on Senate Bill No. 1004 now before Congress represents a practical, feasible, and necessary next step in the development of the resources of the Colorado. The progress to be authorized in the proposed bill on the Uintah and Ute Indian Units of the Central Utah Project, and on the Dixie Project, are in Utah's interest.

Therefore, we respectfully urge our congressional delegation to support the bill recommended by the Conferees when it is

presented to the Congress for their consideration.

Yours truly,

CLYDE RITCHIE,
President.
HALE HOLGATE,
First Vice President.
FRANK A. PIERSON,
Second Vice President.

WASHINGTON COUNTY
WATER CONSERVANCY DISTRICT,
September 3, 1968.

RESOLUTION

Whereas, the Washington County Water Conservancy District has been organized to represent the citizens of Washington County in water development; and

Whereas, the Dixie Project now reauthorized in legislation approved by the Senate-House Conferees; and

Whereas, this project is vital to the growth and economic stability of Washington County and southern Utah; and

Whereas, the citizens of the area affected have by united support and 40 years of dedicated effort awaited the authorization of this legislation by the Congress.

Now, therefore, be it resolved that the Board of Directors of the Washington County Water Conservancy District, acting through its president, hereby urges the Utah Congressional Delegation and the Governor of the State of Utah to vigorously support the final endorsement by the Congress of the Colorado River Basin Project Act, which includes the reauthorization of the Dixie Project.

WAYNE WILSON,
President.

HOPE EXPRESSED FOR DIXIE PROJECT PASSAGE

When Congress resumes its work after the Convention recess, it will have before it legislation of vital importance to the western United States and particularly to Utah and Southern Utah.

The problems confronting the long-awaited Dixie Reclamation Project are resolved in S. 1004, which will be before the House and Senate for approval.

The provisions of the legislation are most favorable to the Dixie Project. The added costs of moving to a new damsite will be taken from surplus power revenues and now that final planning has resolved the uncertainties, the Dixie, at long last will be in a position to begin construction.

Since the "Colorado River Basin Project Act," which provides for the reauthorization of the Dixie has been through both the Senate and the House and the Conference Committee has made further compromises, it follows that the legislation must be acted upon by the Senate and House without amendment.

Utah's Congressional Delegation should strongly support the legislation as worked out by the joint Conference Committee.

Stronger provisions for importation of water from the Columbia River would have made the compromise more acceptable. However, all will realize that significant progress has been made.

Utah's state officials and Congressional Delegation have had a difficult and tedious assignment in advancing the state's interests in the Upper and Lower Colorado Basins. We believe they have done very well.

The time of final decision has arrived. Governor Rampton should positively and forcefully endorse the Colorado River Basin Project Act and our Senators and Congressmen should, without equivocation, vote to pass the long awaited Dixie Project!!

DIXIE PROJECT CLOSE TO REALITY

ST. GEORGE.—After years of frustration, including a delay because a dam site was unsuitable, residents of southwestern Utah are

getting close to their \$51.2 million Dixie Reclamation Project.

A House-Senate conference committee has given its approval for the project and Congress likely will pass the legislation when it reconvenes.

The project area includes lands along the Virgin River and its principal tributary, the Santa Clara River, which are closely related through the economic needs of the area.

The area extends about 25 miles up the Virgin River from St. George almost to Virgin City and up the Santa Clara River from its confluence with the Virgin River near St. George to within five miles of Gunlock.

Approved for construction Sept. 2, 1964, the Dixie Project was authorized on a 1961 Bureau of Reclamation report. That plan was modified because detailed studies of the Virgin City Reservoir Basin indicated the probability of excessive reservoir leakage that would be too costly to correct.

DAM LOCATED

The Virgin River Dam now will be located 15 miles downstream from the old Virgin City Dam site, and ten miles northeast of St. George.

According to a 1967 report on the project, the latest available, the new dam location required considerable modification of the project facilities including elimination of power development.

"With elimination of power development, which had been relied upon to provide revenues to assist in the repayment of those costs in excess of the ability of the irrigators to repay, the project financial status changed from one which could fully pay for itself to one that will require financial assistance from some outside sources," the report said.

CHANGED STATUS

"The project has changed from a hydroelectric power generating project to an electric power consuming project."

Besides the elimination of power generation, construction of the Lower Gunlock Dam on the Santa Clara River has been eliminated. "Its major functions will be served through other project facilities," the BOR report indicated.

"Lands that were to receive irrigation water from the Lower Gunlock Reservoir will receive water from the Virgin River Reservoir.

PROJECT OUTLINE

Major features of the project are: (see map)

1. A 256,000 acre foot reservoir impounded behind the 244-foot high Virgin River Dam that will have a crest length of 4,450 feet.

2. A 19-foot-high Hurricane Diversion Dam needed to divert unregulated riverflow to the LaVerkin Canal and the enlarged Hurricane Canal.

3. The Washington Fields Canal System and the Washington-Ivins Canal System each to receive water from the Virgin River Reservoir.

4. Five pumping plants required to lift water to the higher project lands.

The primary purpose of the project is to supply 45,500 acre-feet of irrigation water from the Virgin River to 6,900 acres of new lands and supply supplemental irrigation water to 10,004 acres of land presently irrigated from the Virgin and Santa Clara Rivers.

Also provided will be 5,000 acre-feet of water for St. George to meet the municipal and industrial requirement expected in a population growth between now and 2025.

The project would be beneficial to Cedar City by permitting an average 5,500 acre-foot upstream diversion to that area from the Virgin River Basin to meet expected growth there.

FLOOD CONTROL

The large reservoir will provide substantial flood control along the Virgin River and entrap the heavy sediment load of the stream.

Construction costs have not been completed, but BOR officials estimated they could run as high as \$58 million.

Local support for the irrigation project began in the 1930's. State, local and federal agencies and Utah's congressional delegations have fought hard for the project.

WATER AREA ENDORSES RIVER LAW

OREM.—Central Utah Water Conservancy District directors agreed Friday to support the proposed legislation prepared by the Senate and House conferees on the Colorado River Basin Project Act.

The board said it agreed with all but one provision of the proposed legislation. That provision, said the board, states that for 10 years no studies can be made concerning the importation of water from any drainage basin outside the Colorado River drainage basin.

The board said, however, "the benefits that will accrue to the district and to Utah from this legislation merits its support."

The board said it would encourage Utah's congressional delegation to support its passage.

The board also approved Friday the U.S. Bureau of Reclamation's action to obtain right of way for the Jordan River complex. The complex will deliver culinary water to south Salt Lake County.

Lynn S. Ludlow, general manager of the district, said the target date for completion of an aqueduct and a treatment plant for the complex is 1972. He said the Central Water Conservancy District will construct the treatment plant and the Bureau of Reclamation will build the aqueduct.

Ludlow said studies reveal a real need for the aqueduct and treatment plant to be completed as scheduled. He said the directors have asked completion of pre-planning studies for the treatment plant as soon as possible.

The treatment plant will be located just northwest of the Jordan Narrows. The aqueduct will extend along the Jordan River from the treatment plant to South Salt Lake.

CONGRESS FACES UP TO COLORADO REALITIES

As Coloradans interested in water affairs were fairly sure, a good deal of compromise was required to satisfy all of the diverse interests involved in the Central Arizona Project legislation. That compromise is now taking final form. Senate and House conferees have reached agreement on a text which, in September, will go to the respective congressional bodies for approval and signing by President Johnson.

These things have happened in the tentative compromise:

The Pacific Northwest, so fearful that any other region might "grab" their overabundant water supplies, have won some major points. (As part of the plan to allow Arizona to use surplus waters of the river—which really belong to the Upper Basin States of Colorado, Wyoming and Utah—lawmakers from these states sought to require studies of diversion of new sources of water into the basin.)

The Pacific Northwest didn't succeed in getting authorization of reconnaissance studies killed. But its lawmakers did get modifications—including one provision which says that there shall be no reconnaissance of other basins for 10 years following the passage of the CAP bill.

Importantly, the principle is established that inter-basin diversions are going to be part of the nation's water planning even if the time of such diversion studies is to be delayed.

Also, the upstream states got some collateral projects benefiting their water uses thrown into the CAP pot.

The hand of Rep. Wayne Aspinall (D-Colo.), chairman of the House Interior Committee, is evident all through the bill. There are guarantees that the upstream proj-

ects shall not be delayed. The level of the upstream reservoir, Lake Powell, shall not be lowered unnecessarily. Arizona cannot flagrantly use upstream surpluses (which we will ultimately need in the upstream areas in the next two decades) for irrigation of new farm lands.

Indian lands disturbed by the CAP construction are protected by the bill, Indian benefits are numerous.

It may be unfair that California got a solid guarantee of 4,400,000 acre feet a year. This is the price Arizona had to pay (taking the upstream states along with her) in return for California's legislative support in bringing extra water to the Phoenix and Tucson areas under the costly CAP diversion lines.

But the realities have been faced. We seem to have come off fairly well considering the forces arrayed against the Upper Basin.

Rather than put up with the scandal of too many reservoirs for too little water, Congress may feel prodded—sooner than it thinks—to bring in those extra supplies from other basins.

[From the Ogden (Utah) Standard-Examiner, Aug. 3, 1968]

UTAH GAINS IN COLORADO COMPROMISE

Utah has, basically, gained by the compromise 1968 Colorado River Bill hammered out this week in Washington by the House and Senate conference committee.

The victories that we did win are due to the way that Rep. Laurence J. Burton, R-Utah, represented our state as our only member of the conference committee.

The bill that will go to the House and Senate for approval when Congress reconvenes in September will contain reauthorization for the \$58 million Dixie Reclamation Project that is so essential to southwestern Utah.

There is also a provisional authorization for the \$44 million Uintah unit of the Central Utah Project. And the final planning report for the entire Ute Indian Unit of the same \$600 million Central Utah Project has been ordered advanced to 1974 from its previously dictated deadline of 1980.

The conference committee's decision to place upon the national government, rather than the individual Colorado River Basin states, the necessity for meeting water guarantees to Mexico is also a help to Utah.

We do regret that the Secretary of the Interior will be restricted for the next 10 years from conducting any studies on possible importation of water into the Colorado Basin from the Columbia River Basin or other water-surplus areas of northwestern United States and Canada.

Utah Sen. Frank E. Moss is, understandably, upset over this restriction since he has been one of the prime exponents of inter-basin water diversion, envisioning the possibility that extra water from Alaska's Yukon River might some day be piped to the arid country around here.

However, Washington Sen. Henry Jackson was the chairman of the conference committee and he has been just as outspoken in his opposition to water diversion from the Northwest as Sen. Moss has been in favor of a study.

Separate appropriations still must be made for work authorized in the compromise bill. These will come in September or October, after Congress' convention recess.

It certainly will be in order for funds to be granted the Dixie Project so work on this long-delayed development can begin. When it was funded several years ago the project ran into trouble because of porous rock that was found at a key dam site. Another time the money had been set aside—but then was pre-empted by the Interior Department for emergency construction elsewhere.

Utah didn't get all it wanted in the new Colorado River Water Project Bill. No state

can when a compromise must be made. But we did well and should be satisfied.

[From the Daily Herald, Aug. 8, 1968]

WATER BILL: UTAH'S OPPORTUNITY

Colorado River project legislation vital to Utah will come before the House and Senate this autumn after Congress has resumed work after its convention recess.

The legislation, approved by the Senate and House conferees, contains authorization for the important Uintah Unit of the Central Utah Project and the Dixie Project.

While the conferees deleted provisions for reconnaissance studies on augmenting the Colorado River's flow through importation of water from other basins, this was felt by Utah water interests to be a reasonable compromise and paved the way for provisions favorable to the Upper Basin States. Rep. Laurence J. Burton (R-Utah) did commendable work both on the House committee which accomplished much of the work, and as a member of the conference committee.

Now it is important that all four members of Utah's congressional delegation put their shoulders to the wheel in a strong unified effort to get the legislation adopted come September.

Now that the bill has been to the conference committee, it cannot be amended. It will be "approval or defeat" when it comes up before the respective houses this time.

The Dixie and Uintah projects will be of great importance in helping to develop its share of Colorado River water. As of now, this state is using only about 35 per cent of its decreed water. Even with a compact or decree, there's nothing like actual use to establish permanent right and ownership to water.

(As of now, there are four authorized units of the Central Utah Project, part of the vast Colorado River complex. These are the Bonneville Unit, which will have the biggest benefit to Utah Valley and environs, and the Jensen, Upalco and Vernal Units.)

The construction schedule looks quite favorable for fiscal 1969 with \$7 million in new money authorized and a \$4 million carry-over.

The people in Southern Utah have been most cooperative in the overall water program and certainly deserve to get the Dixie Project passed. (The Uintah Unit is important in the Central Utah Project and its passage will help keep faith with the Indians of the Uintah Basin who deferred their own interests in order to aid the Bonneville unit.)

The conference report adopts principal features of the House bill which is favorable to Utah, with the exception of the importation study.

The study moratorium should be no great obstacle, since it prevents only the Secretary of the Interior from conducting such studies. The Colorado Basin states still could make their own studies.

The important thing now is for Utahns to concentrate efforts, in cooperation with other states, in getting final congressional approval.

This will enable Utah to use more of its rightful water and, as already mentioned, firmly establish its ownership. Only in this way can our arid state achieve benefits dependent upon water for present and future generations.

[From the Deseret News, Salt Lake City, Utah, Aug. 7, 1968]

RIVER BILL BENEFITS UTAH IN MANY WAYS

Unfortunately, there are nitpickers who apparently would rather scuttle the entire \$1.3 billion Colorado River water project than agree to a reasonable moratorium on water augmentation studies.

Had Utah and the other Upper Basin states insisted on immediate augmentation studies, it is obvious that the strong Northwest fac-

tion headed by Senate Interior Committee Chairman Henry M. Jackson would have seriously delayed the entire project had it been able to survive at all.

Besides authorizing the Dixie and Uintah projects, of prime concern to Utah's plans to develop its share of Colorado River water, the bill reported out of conference would actually give the Upper Basin states a better break on Colorado River water by a more reasonable application of the Mexican Treaty burden.

Under the Mexican Water Treaty of 1944, the U.S. must furnish Mexico with 1½ million acre-feet of Colorado water yearly.

A legal controversy between the Upper Basin and Lower Basin states has arisen over how that water must be supplied. The Upper Basin states maintain that Lower Basin tributaries should be taken into account. The Lower Basin declares the burden should be equally divided from Colorado River waters alone.

With the exception of the importation study, the conference report adopts the principal features of the House bill which is favorable to Utah, thereby actually adding to the amount of water available for distribution in Utah and the other Upper Basin states.

The legislation should avoid another long and costly law suit of the type California brought against Arizona and the other Colorado River Compact states in a fruitless raid to gain more water.

The augmentation study moratorium actually is no great obstacle, since it prevents only the Secretary of the Interior from conducting such studies. The Colorado Basin states still could make their own feasibility studies, which may turn out, incidentally, against the importation of Columbia River water because of cost or growing Northwest utilization of its water resources.

Since both the Dixie and Uintah projects are vital links in Utah's ultimate ability to utilize its rightful share of the Colorado River water, their approval in the current bill is a remarkable victory considering the strong inclination in any economy-minded Congress to ax reclamation projects.

Furthermore, the conference bill sets up criteria for the operation of Lake Powell to remove it from the whim of the Secretary of the Interior. Utahns well remember the draw-down ordered by Secretary Udall when the lake was still filling initially.

The one sure way Utah can lose its rights to Colorado River water is by failure to build the projects by which it can take advantage of its rightful share. The present bill goes a long way in helping the state avoid that danger.

RIVER BILL IS "BEST POSSIBLE" FOR UTAH

(By Gordon Eliot White)

WASHINGTON.—Last week's conference on the Colorado River water project brought forth virtually the best possible compromise bill that Utah and the other Upper Colorado Basin States could have hoped for. For Utah, the version worked out in the conference included the best parts of the House bill, and went far beyond the measure which passed the Senate in 1967. The only disappointment in the conference was the agreement on a ten-year moratorium on studies of water diversion from the Columbia River Basin. That caveat was the price the Lower Basin was forced to pay to get any bill past Senate Interior committee chairman, Senator Henry M. Jackson D-Wash. Sen. Jackson and his allies from the other Columbia Basin States—Idaho, Oregon and Montana—would have scuttled the entire \$1.3 billion bill, rather than see a drop of their own water threatened by the parched Colorado River states.

As it was, the compromise protects the Northwest, but may make little difference in eventual interbasin transfers to the Colo-

rado. Almost no one knowledgeable about water developments in the West believed that a real need for Columbia Basin water would develop in the next decade. It will take at least that long to develop fully the projects which would use all of the Colorado's flow, outside of the southern California diversions above that state's legal quota.

Until Utah, Colorado, Wyoming and Arizona develop all their water rights under the 1922 compact, only California will be affected by the new withdrawals. It would be nice to have more water in the river, but hardly beneficial to Utah except through whatever power revenues it might bring at Glen Canyon. Practically, unless water were added upstream, imports would not even help increase power sales.

In recognizing the burden of delivering water to fulfill the Mexican water treaty as a national obligation, the compromise bill clearly laid the basis for a solution of the Colorado's shortages without penalizing the Basin States. California members of the conference itself suggested that California might be able to provide the needed water from its flood-ravaged northern counties. Such an arrangement would see northern California sell its water to the Colorado Basin under a mutually beneficial contract.

The bill's provision for a West-wide water study could lay the framework for an eventual diversion from the Columbia, a diversion that might indeed be impractical when examined in detail. There is nothing in the legislation which would prevent the Colorado Basin States from making their own feasibility study of diversions from the Columbia. Certainly, ten years from now the Colorado Basin could be far nearer obtaining Columbia water than they are now, even under the Jackson moratorium.

In immediate benefits, Utah has now gotten reauthorization for the Dixie Project, with an additional \$15 million, which will allow that project to be built, a dream until Rep. Laurence J. Burton, R-Utah, slipped it into the House bill. The Senate had only provided for future financial aid for a \$42 million Dixie Project—far too little to cover estimated project costs and no Uintah money. In addition, language speeding up engineering on the \$600 million Ute Indian Project was added in the House and accepted by the conferees.

The compromise bill may have been the last chance for Dixie, and possibly for the Uintah Project. If, as expected, the administration raises the interest rate on reclamation projects to 4½ per cent, neither Utah project would be feasible. As it stands, they both may now get in under the wire. Opponents may object to both, and the application of expensive irrigation water at giveaway rates to farming lands more than a mile above sea level may be technically uneconomical, but if the compromise bill goes through—as it certainly will—Utah will have won a great victory.

Mr. BENNETT. Once again may I express my full support for this legislation. At the same time I commend the conferees for their work and accomplishment.

I feel that the one sure way Utah can lose its rights to Colorado River water is by failure to build the projects by which it can take advantage of its rightful share. This bill goes a long way in helping the State avoid that danger. I hope the conference report will be approved.

S. 4025—INTRODUCTION OF BILL TO PROHIBIT LICENSING OF HYDROELECTRIC PROJECTS ON THE MIDDLE SNAKE RIVER

Mr. JORDAN of Idaho. Mr. President, I shall be pleased to vote for the conference report on the Colorado River Basin project.

I know that the proposed legislation is the culmination of many years of hard work by many people. The fact that no one is altogether pleased and no one is altogether disappointed indicates that in the forging of this measure many compromises had to be made by everyone involved.

I think that all of us who are interested in water resource projects in the West hail this measure as evidence that differences which at first appear insurmountable can be reconciled for the common good.

Of special interest to Idaho is the provision in this bill that makes it acceptable to all of the Columbia Basin States by providing a 10-year moratorium on the reconnaissance studies of water augmentation for the Southwest from sources outside the Colorado River Basin States. The purpose of this provision is to enable those areas outside of but adjacent to the Colorado River Basin States to complete their studies of water supplies and water needs.

The Columbia Basin States, being under much less pressure to make these studies, are a full generation behind the Colorado River Basin States in water resource planning. A minimum of 10 years of concentrated effort is necessary to bridge this gap. We appreciate the willingness of our friends from the Colorado River Basin States to indulge us this freedom from threat of diversion.

We shall make good use of this 10-year period.

First. The Pacific Northwest River Basins Commission was created on March 6, 1967. Studies by this commission are now going forward in cooperation with agencies of the States of Idaho, Oregon, Washington, Montana, and Wyoming.

Second. The Constitution of Idaho was amended in 1964 to authorize a State water resource board. This was funded in 1967. The purpose is to study and inventory the water and land resources of the State and to determine all of the present and future water needs. The organization has been completed. A staff has been selected and studies are now in progress.

Mr. President, after having achieved a 10-year moratorium in the Colorado River Project Act, in order to preserve our options provided by that moratorium it would be inconsistent and inexcusable to remain silent while dam builders argue over who will build a dam at Appaloosa or at Mountain Sheep when the building of either project would foreclose the hard-won options we have thus far successfully defended.

Speaking for Idaho—and I am joined by my colleague Senator CHURCH, by Idaho's two Representatives, JAMES MCCLURE, of the First District, and GEORGE HANSEN, of the Second District, and by Governor of Idaho Don Samuelson—we intend to insure that Idaho's options in water resource development are kept open and not foreclosed by precipitate action in licensing by the FPC or authorization by Congress for Federal construction of any dam in the Middle Snake area.

Accordingly, I introduce today, on behalf of myself and my distinguished

colleague Senator CHURCH, a bill to prohibit the granting of a license to construct any dam in the Middle Snake area for a period of 10 years. I am pleased that my distinguished colleague joins me as cosponsor of this bill. Inasmuch as hearings have just been held on the High Mountain Sheep and Appaloosa sites, it is imperative that all interested parties be put on notice now as to the purpose of our action today.

Here are some pertinent facts:

First High Mountain Sheep, Appaloosa, and Nez Perce are mutually exclusive, that is, the building of any one would preempt the building of either of the other two. Nez Perce site is superior to the other two in every way because it is located below the confluence of the Salmon and Snake Rivers and would thus use the water from both rivers behind a single dam. Consideration of Nez Perce has yielded to pressure to preserve anadromous fish runs.

Second. On January 20, 1958, the FPC denied an application by Pacific Northwest Power Co.—Project No. 2173—to build dams at Mountain Sheep and Pleasant Valley. At that time the Commission said:

Commission determines that applicants project will not be best adapted to a comprehensive plan of development of the water resources of the region under Section 10(a) of the Federal Power Act after finding that the Nez Perce project would have more flood control benefits and greater power benefits than applicants proposed project.

Third. The reasons for denying applicant's application are even more valid now than they were in 1958. Since then preliminary studies disclose:

That the future economy of Idaho depends, in large measure, on the full utilization of its land and water resources;

That the Snake River watersheds will not provide enough water to irrigate the great potential of adjacent and economically feasible new irrigable lands;

That the best source of supplemental water is Idaho's own Salmon River;

That present Salmon runs may already be doomed by the building of the ten dams below the mouth of Salmon River that are now either built, under construction or authorized or it may be that fisheries research will provide a means of passing fish over dams without the high losses that obtain now;

That to achieve Idaho's ultimate reclamation potential both supplemental water supplies and low cost pumping power are essential;

That both of these elements are available in Salmon River storage behind Nez Perce Dam with pump back to project lands by low cost Nez Perce power;

That the building of Nez Perce would not only make possible the use of Salmon River water for upstream consumptive use in the Snake River Basin but would make available for the same purpose the minimum flow of 5,000 cubic feet per second now required by FPC as a condition in the license of Idaho Power Co. at its three-dam complex upstream in the Middle Snake.

Idaho is at the crossroads. The stakes are high. Within 10 years we must decide which direction to take, whether it be toward achieving our high reclamation

potential by full development of the Middle Snake or to maintain an open river. Each course has its strong proponents. Fortunately, it is a decision we do not have to make now; but I am confident that when all the facts are available, the people will make a wise choice.

Of this we can be sure: future hydroelectric development for power alone must give way to multipurpose development or even to development of alternate sources of power. Nuclear fueled generation is fast coming into the picture as energy needs increase. We have many sources of energy, but the one element indispensable in making the desert bloom is water.

In Idaho we have a double loyalty in our great love for our vast forests, mountain meadows, open ranges, lakes and streams. We are determined to protect our great wildlife and recreation resources and we are equally determined to utilize the natural resources of these areas to help us grow and develop fully our industrial and agricultural potential. I believe that these objectives are not incompatible.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 4025) to prohibit the licensing of hydroelectric projects on the Middle Snake River below Hells Canyon Dam for a period of 10 years, introduced by Mr. JORDAN of Idaho (for himself and Mr. CHURCH), was received, read twice by its title, and referred to the Committee on Commerce.

Mr. CHURCH. Mr. President, I wish to express my full support for the recommendations of the conference committee on S. 1004, the Colorado River Basin project bill.

The revised bill which we on the conference committee are recommending to the Senate today is a good bill. It represents a great forward step in water resource development for the Colorado Basin. It resolves many long-standing controversies. It will authorize the construction of the Central Arizona project which is, perhaps, the most urgently needed water resource project in the Southwest. For the Upper Colorado River Basin States, the measure authorizes a significant program of project construction and investigation.

As originally passed by the House of Representatives, this bill was unacceptable to Idaho and the Pacific Northwest. It contained provisions which would have authorized feasibility studies for diverting water out of the Columbia-Snake River Basin into the Colorado River Basin. Studies for such a transbasin water diversion posed a grave threat to the future growth and development of Idaho.

For this reason, my colleague, Senator JORDAN, and I joined hands with the distinguished chairman of the Senate Interior Committee, the Senator from Washington [Mr. JACKSON] to insist that all language authorizing such feasibility studies of transbasin diversions be stricken from the bill. This we accomplished after 8 days of hard bargaining sessions in the conference committee.

Indeed, we not only avoided a serious reversal in the conference, but we actually gained ground. Until now, under existing law, the Department of Interior possessed the authority to conduct reconnaissance studies—general surveys as opposed to detailed feasibility studies—of transbasin diversion. However, we added a provision to this bill which prohibits the Government from undertaking any such reconnaissance surveys for a period of 10 years, so that we in the Northwest may be assured of adequate time to plan for the prudent utilization of our own water resources. The moratorium represents a very solid victory for Idaho and the Northwest.

In this regard, Mr. President, I commend my distinguished colleague [Mr. JORDAN] for the initiative he showed in suggesting the moratorium, to which I gave my full, wholehearted, and unstinting support.

Water resources have greatly implemented the economic growth of Idaho and the Northwest. Only recently, however, have we begun to realize that in our region, as elsewhere, there are limits to that resource. Careful planning is necessary to insure that the highest and wisest use is made of our rivers and underground water.

Water resource decisions, once made, are difficult to reverse. Dams are constructed to last a century and more. Water committed to one purpose is not easily regained for another. Natural streams, once destroyed, can seldom be restored. We in the Northwest do not want to make such decisions with unseemly haste. The 10-year moratorium in this bill will permit us to make our plans based on adequate studies and deliberations.

The present controversy over an appropriate plan for development of the Middle Snake River is a case in point. The variety of proposals which have been advanced, and the intensity of the disagreement, is evidence that the best choice is not yet clear. There has been concern, however, that further postponement of development could be used as an argument for diversion. But with the inclusion in this bill of a 10-year moratorium on transbasin diversion studies, we can now afford to preserve our options on the Middle Snake a while longer. In the next decade, technological advances in nuclear power generation of electricity, and other developments may make the need for high, single-purpose hydroelectric dams obsolete, and it may well turn out that this magnificent gorge, the deepest on the North American continent, with its world famous section of white water and its anadromous fishery can be preserved in all of its wonderful recreational aspects. These are questions which the 10-year moratorium will allow us to decide.

Therefore, I am pleased to join with my colleague, Senator JORDAN, in introducing legislation today which would restrict for a period of 10 years, the licensing authority of the Federal Power Commission on the Middle Snake River, returning to Congress the right of decision concerning the construction of any dam on this stretch of the Snake River.

Mr. President, I reiterate my complete support of the conference report on S. 1004, and I urge its adoption.

Mr. ALLOTT. Mr. President, the Senate will soon take final action on S. 1004, a measure originally introduced by Senator HAYDEN. The history of S. 1004 and its predecessor bills has, indeed, been a stormy one. Literally months of hearings have been held in the House and Senate, and the record of those hearings consumes several thousand printed pages. In the Senate the first executive session of the Interior Committee on this and other similar measures was held on June 9, 1967, and the last executive session was held on June 29, 1967. Similar lengthy executive markup sessions were also held in the House Interior Committee earlier this year on a companion measure H.R. 3300, whose language was ultimately substituted for the language of the Senate-passed version, S. 1004, and was then passed by the House of Representatives under number S. 1004. A conference was called to iron out the differences between the two measures and the product of that conference is now pending before the Senate. It took seven long sessions to complete the conference committee's work. The product of that conference committee is, indeed, a compromise and, while I did sign the conference report, I wish to make it clear that I did so not without certain concerns which I will discuss in detail today.

I am also constrained to express my disappointment in the fact that the Senate could not be persuaded to accept my bill, S. 1242, which I consider to be a much more forward-looking approach to resolving the water problems of the Colorado River Basin and, indeed, of the entire West. I am gratified that many of the provisions of S. 1242 have been incorporated into S. 1004 in its final form. The most important of those provisions, from Colorado's point of view, was eventually included in the Senate-passed bill and is in the conference version. This is the authorization of five reclamation projects in Colorado and New Mexico. These five projects, the Animas-La Plata, the Dolores, the Dallas Creek, the San Miguel, and the West Divide, are participating projects under the Colorado River Storage Project Act and will go a long way toward putting to beneficial use the waters of the Colorado allocated to the upper basin, and particularly to the State of Colorado.

Other provisions which clarified the operation of both the Glen Canyon and the Hoover Dams and their interrelationship were included in the Senate version of S. 1004, but these provisions were further improved and further clarified as the legislation emerged from conference, and will go a long way to insure peace and tranquility on the troubled waters of the Colorado River, by helping to insure that the river is managed in such a way as to maximize beneficial uses of that water, while protecting Upper Basin rights for future development of its apportioned water.

Another important provision that was contained in both the Senate-passed version and the conference version is the establishment of the Lower Colorado River

Basin development fund. While I was disappointed that the Hualapai Dam was not included in this authorization, it is important that the fund be established for future development of the river. Under the present projections, the first contribution to the development fund will be made in the year 2010 in the amount of \$8,115,000. Earlier projections, which included the Hualapai Dam revenues indicated that by the year 2010, \$209 million would already be on deposit in the development fund. It is my firm conviction that serious water shortage problems will have to be dealt with before the end of this century, and these shortages will be of such proportions that the solutions will require bold new concepts and the construction of works on a scale not heretofore thought possible. This will require a solvent and sizable development fund, and it is for this reason that I regret the wasting of a potentially valuable asset in the Colorado River Basin, which could have provided so many benefits to the basin and its people. When one considers the enormous benefits to the Pacific Northwest which have resulted from the almost continuous string of dams from Bonneville upstream even into Canada, it is difficult to understand why such benefits should be denied the Colorado River Basin and why the Hualapai Dam was so tenaciously opposed by the Northwest. Nevertheless, the bill before us contains two provisions that precluded studying or constructing a dam between Glen Canyon and Hoover Dams. The Federal Power Commission is prohibited from granting a license to any public or private agency that may wish to construct a dam. The Secretary of the Interior is also precluded from studying or constructing any dams in this reach of the Colorado River.

As a result of the elimination of Hualapai Dam a new source of power had to be obtained for the operation of the central Arizona project pumps, and it is provided under section 303 of the act. The Secretary is permitted to enter into contracts for the prepayment of electrical power and capacity of thermal generating plants to be constructed somewhere in the general vicinity of Page, Ariz. Under present plans, these generating plants will be coal-fired. For the first time we discover the Bureau of Reclamation, albeit by the backdoor, in the thermal generating business. While I have consistently been a strong supporter of reclamation and reclamation principles, I am concerned over this departure from the basic principle that power development in reclamation projects be limited to only that power development which is reasonably a part of the reclamation project; that is, that power development would be a natural adjunct to the impounding of water behind a dam built for diversion or river regulation. The pre-purchase of generating capacity in a thermal plant—and much of the power will be sold rather than used for pumping—seems to me to be an unreasonable extension of that principle. I will admit that the circumstances of this project are rather unusual. The authority granted in this legislation shall not be considered a precedent to be used by the Department

of the Interior and the Bureau of Reclamation to launch a program for the construction of thermal generating plants across the land. Such a program would do irreparable damage to reclamation. It is for the reason that I am a strong supporter of reclamation that I would not like to see any such effort made by the Department.

ANALYSIS OF CERTAIN SALIENT PROVISIONS

Title I of the bill as reported by the conference committee contains a statement of objective and establishes the congressional policy with respect to meeting the needs of the Colorado River Basin. The objective is well stated in the first sentence of section 102(a), and I believe it bears repeating here:

It is the object of this Act to provide a program for the further comprehensive development of the water resources of the Colorado River Basin and for the provision of additional and adequate water supplies for use in the upper as well as the lower Colorado River basin.

This is to be accomplished through "a regional water plan," as set forth in subsection (b). Thus, the objective coupled with the directives of title II clearly cloak the Secretary of the Interior with the authority and impose upon him the responsibility for planning the best possible use of the Nation's water resources west of the Continental Divide. This objective is one of the most important parts of the entire act so far as the Western United States is concerned, and, I believe it can safely be assumed that the Governors of those States and their knowledgeable water experts will be working with diligence to make certain that any future Secretary of the Interior carries out the mandate laid down by the Congress.

Title II directs the Secretary to make certain studies, investigations, and assessments. Section 201 requires the Secretary to conduct "full and complete" reconnaissance studies to develop a general plan to meet the future water needs of the West, or, in other words, to meet the objective of section 102. These studies will include investigations and assessments of water supply and the long-range water requirements of each water region, looking toward a West-wide plan for meeting the water needs of the 11 Western States. Such studies are to be coordinated with existing water resources planning agencies, and the States, and progress reports are to be submitted to the President and Congress every 2 years, commencing in 1971, with a final reconnaissance report to be submitted not later than June 30, 1977.

While the Secretary can study these needs and water supply of all Western areas, and methods of augmenting the supply in critical water-short areas, he is proscribed from looking to augmentation sources outside the Colorado River Basin States, as defined in section 201, for a period of 10 years after the enactment of this act. In offering this amendment, the Northwest Senators made a strong argument for this moratorium on the basis that their States, and particularly Idaho, were now in the process of making definitive studies of their long-range water needs and water supplies, and that the 10-year moratorium was needed for completion and evaluation of

those studies. I am somewhat confused by this apparent distrust of the Secretary of the Interior, who has done more than any other executive department official to support the position of the Northwestern States. But, be that as it may, the majority of the conference committee was persuaded to add such a moratorium simply because it was apparent that there would be no bill passed without it.

It should be fully understood by everyone concerned that this moratorium against even studying an importation of water into the Colorado River from any and all sources except parts of the seven Colorado River Basin States on a preliminary or reconnaissance basis is discrimination against the welfare of seven sovereign States of the Pacific Southwest. It is discriminatory for the simple reason that it imposes a new limitation upon existing authority of the Secretary of the Interior to make examinations and surveys for works for the storage, diversion, and development of waters. A reading of section 2 of the Reclamation Act of 1902, as amended, will substantiate this simple truth.

I do have difficulty in understanding why the protections contained in the House version of the bill were inadequate. The House-passed bill contained two area-of-origin protections which have now been swept away by the substitution of the new section 201. Under the House version, the Secretary could not "make any recommendation for the importing water into the Colorado River system from other river basins without the approval of those States which will be affected by such exportation," and further, the Secretary was required to "investigate and prepare estimates of the long-range water supply in States and areas from which water could be imported into the Colorado River system, together with estimates and plans to satisfy the probable ultimate requirements for water within such States and areas of origin for all purposes." It was my sincere belief that those protections were more than adequate. The Northwest apparently prefers to have a 10-year fence thrown up around it. Admittedly, this may cause some delay in coming to grips with our West-wide water supply problems—a delay not necessarily confined to the Colorado River Basin alone. Such delay will not be fatal, and we can live with it, if others can.

Senators should clearly understand, however, that all augmentation studies cannot be delayed for a decade if the central Arizona project is to remain feasible, because as the statement on the part of the managers of the House says:

While there is disagreement with respect time, the cold fact remains that eventually the water supply for the Central Arizona project will be reduced to less than 300,000 acre feet annually unless augmentation becomes a reality.

When one considers that the central Arizona project will be designed, providing that the 3,000 second foot aqueduct is found feasible, to divert up to 2,000,000 acre-feet annually with projected water sales at about 1.8 million acre-feet, a diminution of available water to only 300,000 acre-feet per year without the

hope of augmentation would cast severe doubt upon the advisability of its construction. It is for this reason that I have insisted that augmentation studies must be a part of any legislation authorizing the construction of the central Arizona project.

Under the provisions of the bill as reported by the conference committee, the Secretary is free to search for additional sources of water within the Colorado River Basin as defined in section 201, including the only area of apparent water surplus, northern California. The Secretary is also free to consider augmentation through weather modification and desalination. Therefore, during the 10-year period of the moratorium, the Secretary is expected and directed to study importation from northern California, weather modification, desalination and to investigate methods of reducing water losses within the basin.

Under the provisions of the legislation as agreed to by the conference committee, investigations and studies do not terminate with the submission of the initial reconnaissance report in 1977. This is only a first phase. Studies are to continue pursuant to existing authority in the reclamation laws. The Secretary is required to make recommendations as to feasibility studies that might be pursued as are justified and appropriate, including the feasibility of augmentation of the Colorado River from sources within the Colorado River Basin States as defined in section 201; and at the exportation of the 10-year moratorium, studies are to be made of potential importation sources outside the Colorado River Basin States, and recommendations made as warranted.

In section 202, Congress declares that the satisfaction of the Mexican Water Treaty is a national obligation and shall be the first charge against any augmentation project. The Colorado River Basin States, both the lower division and the upper division, are not relieved from this burden until works are in operation capable of augmenting the Colorado River below Lee Ferry in a quantity sufficient to satisfy the Mexican Treaty—as it applies to the Colorado River—including associated transmission losses. There is a further proviso to the effect that the Mexican Water Treaty shall be satisfied according to existing law until such time as a feasible plan showing the most economical means of augmenting the river by 2½ million acre-feet shall be authorized by Congress, and is in operation.

Associated with declaring the satisfaction of the Mexican water treaty a national obligation, section 401 also provides that that portion of the costs for augmenting the river which are attributable to satisfying the treaty water delivery shall be nonreimbursable on a pro rata basis. The costs of any augmentation in excess of the needs for the satisfaction of the Mexican water treaty are to be reimbursable. This will provide flexibility in sizing the augmentation works while removing the costs from the taxpayers of augmenting the river in excess of Mexican treaty requirements.

Title III authorizes the central Arizona project and sets the size of the

aqueduct at 3,000 second feet or such smaller capacity as is found to be economically justified and financially feasible. Arizona and the Secretary of the Interior may decide what capacity above 2,500 second feet is best suited to their needs and economically most justifiable, but any capacity above 2,500 cubic feet per second can only be utilized for the conveyance of Colorado River water when Lake Powell is full and spilling, or when releases are made in compliance with the reservoir operating criteria of section 602(a)(3) of the act.

The arguments given for authorizing a capacity of up to 3,000 cubic feet per second for the aqueduct were to allow Arizona to take advantage of any excess or flood flows that may pass down the river, and, more importantly, to be prepared for additional water that may be made available through augmentation. Because this size aqueduct is obviously considerably larger than the capacity needed for Arizona to divert from the main stream of the Colorado River the water apportioned to her by the Supreme Court's decree in Arizona against California and apportioned by the Colorado River Compact, the cost of the capacity beyond 2,500 cubic feet per second must be repaid either from central Arizona project revenues or from that portion of the Lower Colorado River Basin development fund, which, pursuant to subsection 403(f), is available to assist the central Arizona project, or from sources other than the development fund. In any event, the costs of the capacity above 2,500 cubic feet per second shall not be an obligation of the part of the fund that is dedicated to assisting future construction of augmentation works. As a result, the authorization of \$832,180,000, of which \$53,180,000 is the projected cost of the increased capacity from 2,500 to 3,000 cubic feet per second, will be reduced proportionately with any incremental reduction in the size of the aqueduct under 3,000 cubic second feet.

Title V authorizes the five Colorado and New Mexico projects; namely, Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel. It also conditionally authorizes the Uintah unit of the central Utah project. Additionally, it amends section 2 of the Colorado River Storage Project Act to conform with events and the realities of the many preliminary studies on prospective participating projects.

Perhaps the most significant provision of title V, as it affects the upper basin is found in subsection (b) of section 501. Because of its significance, Mr. President, I ask unanimous consent that subsection 501(b) be printed at this point in the RECORD.

There being no objection the subsection was ordered to be printed in the RECORD, as follows:

The Secretary is directed to proceed as nearly as practicable with the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel participating Federal reclamation projects concurrently with the construction of the Central Arizona Project, to the end that such projects shall be completed not later than the date of the first delivery of water from said Central Arizona Project: *Provided*, That an

appropriate repayment contract for each of said participating projects shall have been executed as provided in section 4 of the Colorado River Storage Project Act (70 Stat. 107) before construction shall start on that particular project.

Mr. ALLOTT. Mr. President, the intention of this language is to require the Secretary of the Interior, in constructing the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel projects, to insure that the planning and the accomplishment of preconstruction and construction activities are performed in such a manner as to insure that each of the five projects will be completed and capable of full operation not later than the date of first delivery of Colorado River water to water users under the central Arizona project, assuming, of course, that appropriate repayment contracts have been executed in accordance with the terms of section 4 of the Colorado River Storage Project Act, before construction begins. Obviously, the projects will not require the same length of time to construct, and the Secretary can complete some of the projects prior to the first delivery of water through the central Arizona project, but the Secretary is expected and commanded to program construction of all five projects in such a way as to insure completion and operation of all five not later than the first delivery of water through the central Arizona project. This protection is absolutely essential to the interests of Colorado, which alone produces 70 percent of the water of the main stream of the Colorado River, because Colorado has experienced the problem of obtaining construction funds for projects which have been authorized.

Two Colorado projects have been authorized for construction for 4 years, Savery-Pot Hook and Fruitland Mesa, and yet no construction has yet been accomplished on either. In fact, no construction funds were even requested in the budget for fiscal year 1969. At this time, it is impossible to anticipate when these projects will be constructed and completed. Further, as I pointed out during the Senate debate on S. 1004, the fund requirements for the central Arizona project, coupled with the requirements of projects now under construction or about to be constructed will very appreciably increase the Bureau of Reclamation's annual construction budget. As I pointed out when discussing the Senate version of S. 1004 on August 7, 1967, the fund requirements for the construction of the central Arizona project during the third, fourth, fifth, and sixth years would exceed \$100 million per year. I also called to the attention of the Senate the fact that appropriations for Bureau of Reclamation construction had averaged over the 10-year period of fiscal year 1958 to fiscal year 1967 about \$242 million annually. Senators know that fiscal year 1968 appropriations dipped from that average to about \$223 million. Senators also know that appropriations for construction in fiscal year 1969 dropped substantially, to a level below \$200 million. This has been due to the Nation's serious fiscal situation, and has caused considerable delay and

stretch out of present ongoing construction. This situation, which has developed largely since my predictions of August of last year, will serve to greatly intensify the funding situation and make it doubly difficult to find the funds needed to carry on construction of authorized reclamation projects at an economic rate. As I explained last year, taking just those projects actually underway and adding to them the Manson unit of the Chief Joseph project, the Tualatin project and the central Arizona project and projecting them on an economic rate of construction, without adding any new projects, the funding requirements would increase and ultimately exceed \$525 million annually by the fourth year, fiscal year 1972. Of course, inflation will cause upward adjustments to these projections just as fiscal restraints have caused delays and stretch out of construction. But, the fact remains, that with the start of construction on the projects authorized by this bill, funding requirements will soar to more than double their normal level.

It is for these reasons that the contemporaneous construction provision is of such significance to the upper basin and to Colorado in particular. Without it, Colorado would face the constant threat that its projects would be shunted to the back burner to simmer, while central Arizona would plunge ahead at full speed.

The language of section 501(b) of the act directing the Secretary "to proceed as nearly as practicable with the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel participating Federal reclamation projects concurrently with the construction of the central Arizona project" is to be regarded as a sacred trust and a definite legislative commitment on the part of the Congress. Obviously, it carries with it the direct implication that future Congresses will make construction funds available for these projects simultaneously with funds for central Arizona in order to permit the Secretary to meet the directive that such "five projects shall be completed not later than the date of the first delivery of water from said central Arizona project." The Senate and House in approving the conference report will be effectuating this policy that will go far in protecting my State's right to use its share of the water supply of the Upper Colorado River Basin, under the Upper Colorado River Compact and the Colorado River Compact.

Here, I must say, we come to one of the most sensitive parts of the bill. I believe that almost everyone had a hand in trying to write language which would accomplish the exact purpose of the committee so that there would be no question. I call particular attention to the paragraph I have just finished reading, that it is the intention of the conference committee that the Colorado projects will be constructed and financed contemporaneously with the central Arizona project in order that, as I have just read, they will be completed not later than the date of the first delivery of water from said central Arizona project.

The language to which I referred a moment ago provides that the Secretary is directed to proceed as nearly as practicable with these projects to the end they shall be completed not later than the first delivery of water from the central Arizona project.

The chairman of the Committee on Interior and Insular Affairs is in the Chamber. He spent a great many hours on this particular piece of legislation, as did we all. He was present, as I was, at each of the conferences on the conference committee.

Thus, I should like to address this question to him:

Does the chairman of the Committee on Interior and Insular Affairs agree with my understanding of the legislative intent of subsection 501(b); that is, that insofar as it is possible, Congress is making a commitment, by the enactment of this bill, to make funds available in such fashion as to permit the Secretary to carry out his directive to plan and proceed with the construction of five Colorado projects, in such manner that such projects shall be completed not later than the date of the first delivery of water from the central Arizona project?

Mr. JACKSON. Let me respond as follows: The pertinent language of subsection 501(b) reads as follows. The Senator has referred to it, but I shall restate it:

(b) The Secretary is directed to proceed as nearly as practicable with the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel participating Federal reclamation projects concurrently with the construction of the Central Arizona Project, to the end that such projects shall be completed not later than the date of the first delivery of water from said Central Arizona Project.

I shall not read the proviso.

The conference committee, on section 501(b), adopted the language of the House amendment to the bill, which directs the Secretary to construct as nearly as practicable the five upper basin reclamation projects concurrently with the central Arizona project.

As I understand the language of this subsection, if adopted, it would constitute a clear expression of the intent of Congress that the benefits of the upper basin projects will become available at the same time as those of the central Arizona project.

I understand this intention to be a part of the compromise among the States of the Colorado Basin, which made agreement on a conference report possible.

If enacted, this subsection will direct the Secretary to plan his construction program and request appropriations in such a way as to make the five upper basin projects operational not later than the date of the first delivery of water from the central Arizona project.

I further consider this language to be an expression to future Congresses, of the desire of this Congress that, insofar as possible, funds will be appropriated to adequately fund such a construction program.

Mr. ALLOTT. Mr. President, I think I understand the chairman perfectly. He

has, as nearly as I can identify his words, stated exactly what the situation was in the conference and what the purpose of the legislation and the report was.

I might say that, in the opinion of the Senator from Colorado, any other plan or development would not have resulted in a bill this year. I am sure that the Senator has hinted in his remarks that there would not have been a bill unless there had been some understanding about the construction being carried on contemporaneously of the Colorado projects and the projects in Arizona.

In all frankness, let me say that what impels this particular provision in the bill is my concern, after having dealt with water a great many years as a lawyer in private practice—and considering the fact that the aqueduct has been raised first from 1,800 cubic feet per second to 2,500 feet and now to 3,000 feet, a provision that I did not agree with and tried to get modified in the conference committee—if the water has once gone downstream and become a part of a developed economy in the State of Arizona, the Supreme Court, at least as it is now constituted, might very well find a way to get around the guarantees contained in the Colorado River compact and the Upper Colorado River Basin compact, to which the United States is a signatory, and both of which have been approved by the Congress of the United States.

So, looking down the road 30 or 40 or 50 years, subsection 501(b) is the only method that I think will provide the protection that the Upper Colorado River States need, and particularly the State of Colorado.

I am about to continue with some other matters at this time in connection with this subject. I want to thank the chairman very much. Unfortunately, he and I did not agree on too many points in the entire legislation, but certainly there has not been a piece of legislation that has been more carefully examined and discussed by any committee than this particular bill. I do not think it is an overstatement to say that literally every word was gone over by the conference committee as a group in the seven long sessions, and I am appreciative of the cooperation the chairman gave me when that occurred.

However, it should be fully understood by the people of Colorado and more especially the officers and directors of the appropriate water conservancy districts, that concomitant with the obligations of the Secretary of the Interior and the Congress to assure contemporaneous construction of the five Colorado projects with the central Arizona project goes the obligation to perform all acts necessary to insure early completion of the projects, and that as these projects are completed the water made available is fully put to a beneficial use as rapidly as possible. This is equally as important to the protection of Colorado's right to the use of its share of Colorado River water as is the assurance of contemporaneous construction. The Congress and the Department of the Interior have a right to expect nothing less.

Mr. President, I should like to address to the chairman a question that has been

raised. I am sure I know what his answer is, but I think it ought to be a part of the RECORD.

It is true, is it not, that this particular legislation is in no way intended to impair the rights of the people of the State of Colorado or the State of Colorado to use the water allotted to them or the State by the various compacts which have been created?

Mr. JACKSON. Mr. President, the pertinent language applicable in response to the distinguished Senator's question is to be found in title VI, section 601 (a), which reads as follows:

Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), the decree entered by the Supreme Court of the United States in Arizona against California and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a) or the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620).

I think those are all of the pertinent citations that relate to the question which the able Senator has properly raised. I think the statutory language makes it very clear, as stated in section 601 (a) of this measure, that this measure does not alter any part of the compacts which assure the State of Colorado its allotment of Colorado River water.

Mr. ALLOTT. I thank the Senator very much.

Sections 501(e) and (f) are of particular significance to my State of Colorado. These sections will aid both State and Federal officials in the administration of water rights and the operation of projects depending upon the Colorado River system for their water supply. Because nearly the entire State of Colorado, both the area west of the Continental Divide and the area east of the Divide, must depend, in large part, upon the Colorado River for its water supply, now and for future growth, these sections are necessary to the State of Colorado to clarify existing misunderstandings. The eastern slope rights are closely tied to the operation of Green Mountain Reservoir under Senate Document 80, 75th Congress, first session, by reason of the incorporation of certain provisions of that document in that decree of the U.S. District Court for the District of Colorado which defines the rights of both the United States and certain east slope appropriators in the Blue River.

Under the law, the definition of those rights by the court is simply a description of what those east slope users and the United States, as appropriators, did to create their respective rights. In describing the rights of the United States therefore, the court, rather than presuming to intrude upon the functions of Congress, merely copied the language of Senate Document 80 without interpreting it. Since question exists, not as to any court interpretation, but as to the Congress purpose in creating Green Mountain Reservoir, it is appropriate that only Congress resolve any problem

relating to this Federal property which may have arisen out of this congressional document; and this we have done in the pending bill.

In reporting on section 7(d) of S. 1004 as passed by the Senate in 1967, which is identical with section 501(f) of the bill, the Senate Committee on Interior and Insular Affairs, stated in its report No. 408, 90th Congress, first session, at pages 60 and 61:

Section 7(d). Subsection (d) has been included in the legislation in order to give congressional interpretation to the meaning of the words "any western slope appropriations" that appear in paragraph (1) of that section of Senate Document No. 80, 75th Congress, first session, entitled "Manner of Operation of Project Facilities and Auxiliary Features." The meaning of these words which this subsection approves is the same as that approved by the Colorado Water Conservation Board. The section of Senate Document No. 80 referred to provides for three principal water components of the Colorado-Big Thompson Federal reclamation project; namely, for diversion of water to the eastern slope of Colorado, for storage of replacement water, and for storage of water for use in western Colorado. The replacement water (52,000 acre-feet) and water for use in western Colorado (100,000 acre-feet) are stored in Green Mountain Reservoir in western Colorado.

The last sentence of paragraph (g) of the particular section of Senate Document No. 80 in question says:

"The 100,000 acre-feet of storage in said reservoir shall be considered to have the same date of priority of appropriation as that for water diverted or stored for transmountain diversion."

This quoted sentence is subsequently qualified by paragraph (1) of the same section which, with reference to the Colorado River Compact, states, in part, as follows:

"Notwithstanding the relative priorities specified in paragraph (g) herein, if an obligation is created under said compact to augment the supply of water from the State of Colorado to satisfy the provisions of said compact, the diversion for the benefit of the eastern slope shall be discontinued in advance of any western slope appropriations."

The committee was informed that there has been considerable misunderstanding within the State of Colorado as to the effect of the additional projects herein authorized when viewed in the light of the above quoted provisions of Senate Document No. 80. Although the misunderstandings may be less real than they appear, the committee agrees to resolving the matter by approving the interpretation of the words "any western slope appropriations" to mean and refer to the appropriations heretofore made for storage in Green Mountain Reservoir on the western slope of Colorado. It is the view of the committee that any other interpretation would interfere with water rights vested by law in prior appropriators, and that the approved interpretation defines and observes the purpose of said paragraph (1) of Senate Document No. 80, and does not, in any way, affect or alter any rights or obligations arising under Senate Document No. 80 or under the laws of the State of Colorado.

It should be noted that the word "appropriations" immediately preceeding the phrase "heretofore made for storage in Green Mountain Reservoir," as contained in the just quoted paragraph from the Senate committee report, should have been in the singular. It appears to be a typographical error, since the pertinent language of S. 1004, the bill which the committee reported, reads in section 7D as follows:

The appropriation heretofore made for storage of water in Green Mountain Reservoir . . .

The foregoing interpretation is identical with that adopted by the official agencies of the State of Colorado. The Governor of Colorado, testifying before the Senate Committee on Interior and Insular Affairs during the week of May 2-5, 1957—report on hearings before the Senate committee on S. 1004 and similar bills, 90th Congress, first session, page 534—stated:

Our proposal to authorize certain projects within our State under the authority of the Colorado River Storage Project Act is in accordance with long-established State policy and our internal allocation of water. However, there has been considerable misunderstanding within the State of Colorado as to the effect of such projects when viewed in light of certain provisions of Senate Document 80, 75th Congress, first session. This misunderstanding has affected harmonious relationships within the State and needs clarification. As a matter of State policy, our State water board and State legislature have adopted an interpretation of paragraph (1) of the section of Senate Document 80 entitled "Manner of Operation of Project Facilities and Auxiliary Features." The interpretation is that the words "any western slope appropriations" in said paragraph (1) mean and refer to the appropriation heretofore made for storage in Green Mountain Reservoir. We believe that this interpretation defines and observes the purpose of said paragraph (1), and does not, in any way, affect or alter any rights or obligations arising under Senate Document 80 or under the laws of the State of Colorado. Since it was a congressional document which created the problem, we believe that it is appropriate that clarification of the document in accordance with our interpretation be contained in any legislation which would authorize further projects under the authority of the Colorado River Storage Project Act.

Such clarification is contained in some of the legislation now pending and we urge that it be retained.

The Colorado Water Conservation Board, the official water policy group of the State of Colorado, when considering this problem at its meeting of February 8, 1966, in official action, adopted the following:

While the misunderstanding may be more vexatious than real, it now appears necessary that this Board adopt, as a matter of state policy, and interpretation of paragraph (1) of the section of Senate Document No. 80 entitled "Manner of Operation of Project Facilities and Auxiliary Features". This interpretation is that the words "any western slope appropriations" in said paragraph (1) mean and refer to the appropriation heretofore made for storage in Green Mountain Reservoir. This interpretation defines and observes the purpose of said paragraph (1), and does not, in any way, affect or alter any rights or obligations arising under Senate Document No. 80 or under the laws of the State of Colorado.

The Colorado Water Conservation Board was not a party to nor heretofore has taken any position on Senate Document No. 80. It is now the position of the Board that it ratifies, confirms, and accepts all of the provisions of Senate Document No. 80, 75th Congress, 1st Session, as though it were originally a party signatory to said document, subject to the interpretation of paragraph (1) as above set forth.

In reporting on section 501(e) the Committee on Interior and Insular Af-

fairs of the House of Representatives, stated in its report on H.R. 3300 (Rept. No. 1312, 90th Cong., second sess.), at page 81:

In the administration of projects authorized by this Act or by the Colorado River Storage Project Act that are within or for the sole benefit of Colorado, the Secretary is required to comply with the laws of Colorado with respect to priority of appropriation and with respect to Federal and State Court decrees entered pursuant to such laws, in the diversion and storage of water. The Committee understands this requirement to mean that diversion and storage rights for these projects will be junior to existing rights recognized under Colorado law. This is merely a reaffirmation of the rule of law that would apply in any event. The Secretary is also directed to obtain the approval of the State of Colorado to any operating principles he may decide to adopt for these projects. The Secretary is not required, however, to adopt any operating principles. The Committee does not intend this language to interfere with the executive discretion of the Secretary in contracting for the sale and distribution of water.

The congressional interpretation of the meaning of paragraph (i) of Senate document No. 80 as stated in section 501(f) and the official adoption by the State of Colorado of the provisions of Senate document No. 80, including the interpretation of paragraph (i) thereof as contained in section 501(f), along with section 501(e), wherein the Secretary is directed to comply with operating principles, if any, adopted by the Secretary and approved by the State of Colorado, give further assurance that the intent of paragraph (i) of Senate document No. 80 will be observed by all parties.

There are two other provisions of the bill which I believe deserve special comment. These are in title VI. Section 601(b) requires the Secretary to make reports every 5 years on the consumptive uses and water losses in the Colorado River system. This provision was originally proposed by Senator HANSEN in the Senate Interior Committee, where it was adopted, and I believe it will prove to be one of the most important amendments adopted. In the conference, language was added to require more detailed breakdowns of beneficial consumptive uses made of major tributary streams of the Colorado River on a State-by-State basis. This will provide a most useful tool in coming to grips with water problems of the Colorado River Basin in the future, and I wish to commend the Senator from Wyoming [Mr. HANSEN] for his initiative. As he well knows, most of the problems of the Colorado River have resulted from insufficient and unreliable information relative to the flow of the river and the uses made of it along its course. His amendment will do much to rectify that situation, and I predict that it will become a model which will be followed in other river basins.

Section 602 resulted from long and complex negotiations by representatives of the Upper and Lower Division States. Inclusion of the reservoirs operating criteria of this section not only will prevent a recurrence of the misunderstandings that occurred when the Secretary initiated the filling of the upper basin's Colorado River storage project reser-

voirs, but will also constitute a major contribution to more efficient and acceptable river management.

Storage of water in Lake Powell is the key to the ability of the Upper Division States to deliver water to the lower basin at Lee Ferry as required by articles III (c) and (d) of the Colorado River compact without curtailment of uses of water in the upper basin. If there is too little water in storage to make the required deliveries during drought periods upper basin uses would have to be curtailed to discharge compact obligations.

The reservoir operating criteria of section 602 are not intended to affect any rights under the Colorado River compact or to interpret the terms of that document. These criteria do implement the operations under the compact by establishing a common sense balance between the right of the Upper Division States to store water to meet future water delivery requirements and the lower basin's right under article III(e) of the compact to demand the release of water stored in the upper basin to meet consumptive uses in the lower basin. This will insure that the upper basin is fully protected in all prospective uses under the Colorado River compact, and coupled with the provisions regarding the use of adequate capacity in excess of 2,500 cubic second feet it is intended that upper basin rights to its water as apportioned by the Colorado River compact will not be impaired in any way.

The Secretary of the Interior is directed by section 602, in consultation with official representatives of each of the seven Basin States and with affected contracting parties, to promulgate equitable criteria for the coordinated long-range operation of reservoir on the main stem of the Colorado River. Section 602 establishes broad objectives that must be met by the operating criteria and outlines policies to be followed. It also sets forth specific and detailed provisions to be incorporated in the criteria. These operating criteria must be adopted by the Secretary not later than July 1, 1970, and he must report annually, beginning January 1, 1972, to the Congress and to the Governors of the seven Basin States with respect to operations under the adopted criteria.

It should be clear that in establishing these long-term reservoir operating criteria it is intended that such criteria be prepared and reviewed each year after an exchange of views, first, with State entities designated as official in the field of water resource development either by State law, or by the Governor of the State; second, with representatives of interstate compact commissions primarily concerned with administration of waters of either the Upper or Lower Basins; and, third, with parties to contracts with the Federal Government that may be affected by the criteria.

Finally, I wish to say that Arizona has historically supported Colorado projects, and Colorado has traditionally supported Arizona projects. While I regret that certain limitations about which I have previously spoken did not make a more far-reaching, basin-wide approach possible,

and that it could not be achieved in this legislation, I am glad that the bill has been so changed since it passed the Senate that I can now support the bill and restore and retain that continuity of history. I signed the conference report and will vote for its adoption. As my friends on the Interior Committee know, the battle over this legislation has been a spirited one because the interests of many States were involved. If I have made any remarks during the course of this struggle which have offended any of my colleagues, I hope they will forgive me and charge it to my natural zeal to protect the rights of my State, and what I regard as the interests of my constituents, for I have nothing but the highest regard for all of those who participated in the hearings, in the work of the conference committee, and in the turning out of this legislation.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield to the Senator from Wyoming.

Mr. HANSEN. It has always been Wyoming's view that the Colorado River Compact of 1922, the Upper Colorado River Basin Compact, and the Mexican Water Treaty of 1944 represent the supreme law of the Colorado River. Does the distinguished Senator from Colorado share that view?

Mr. ALLOTT. I share that view, with some limitations. In other words, these are the basic documents upon which the Senator's State and mine depend for their water rights. But I would call the Senator's attention to section 601(a), which the distinguished chairman of the Committee on Interior and Insular Affairs read a while ago, which also contains some references to other legislation which does affect the basic water rights of his State.

However, I do hold the view that the basic water rights of the Senator's State and mine rest upon the compacts and legislation he has referred to.

Mr. HANSEN. I ask the Senator, then, a second question: Is it the Senator's view that the legislation before us today abrogates or diminishes in any way the rights of Wyoming to the water of the Colorado River allocated in accordance with these instruments that I have just mentioned?

Mr. ALLOTT. In my opinion, the legislation does not, per se. I have talked privately with the Senator—and I mentioned this on the floor a few moments earlier—concerning the possibility that down the road a long way, in perhaps 30 to 50 years, there might lie some possible threat to the water rights of Wyoming, unless the water development of Wyoming proceeds apace, as quickly as it can. This, of course, is based upon my lack of confidence in what our Supreme Court might do in interpreting the compact some 30 to 50 years from now, after an economy may have developed in the Lower Basin.

So I deem the development of water resources as very important to my State, as I have said in statements to the people of Colorado, and I deem it just as important and just as applicable to Wyoming, and that she, too, has to proceed

apace with the development of her water supplies and her water rights; and I wish to say to the Senator from Wyoming that he can be assured of my complete cooperation and help to develop any projects in Wyoming of any nature which will comply with the qualifications of our reclamation laws.

Mr. HANSEN. I appreciate very much what my distinguished friend, the Senator from Colorado has just said. I would call attention, in the light of that response, to section 603(a) of the legislation, which reads:

Rights of the upper basin to the consumptive use of water available to that basin from the Colorado River system under the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin.

Does that statement run at variance with the observation the Senator has made previously?

Mr. ALLOTT. I would say not. As I stated, we in the Upper Basin States hold rigidly to the letter of the words of section 603(a). And my remarks of a moment ago are only intended as a warning to my own State. And I do not warn another Senator or another State. Perhaps, however, it is advice to another State in the intervening years. There is no question that the bill retains all our rights, and we intend to retain them under section 603(a).

Mr. HANSEN. Since we agree that Wyoming's rights to Colorado River water are left intact by the legislation, does the Senator agree that when—and it will be soon in my judgment—Wyoming is ready to put its due share of water to beneficial use, that Congress and its committees should and will give every consideration to Wyoming's needs, just as Congress is now giving consideration to the needs of our sister States in the Colorado River Basin?

Mr. ALLOTT. I would say, unequivocally, yes.

Mr. HANSEN. I thank the distinguished Senator from Colorado.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. McGEE. Mr. President, I, too, rise on behalf of the interests of our State of Wyoming in this matter of water.

My friend, the Senator from Colorado, has been one of the giants in the field of trying to protect the access to waters in the Upper Colorado River Basin. I pay tribute to him for that.

I am deeply disturbed about the way the conference report has tied our hands in looking ahead to determine how much we are going to guarantee the rights of the various compact States to their water.

It seems to me that cooperation between the States is meaningfully undercut by the conference agreement, for example, even to close out the possibility for 10 years of exploring the feasibility of interbasin water transfer. Very frankly, there is not a lot of water around the Upper Basin itself that is yet unclaimed and unattached by rights. And, given the mobility of population

and technological breakthroughs, I think it would have stood us in a much better position if we had been able to at least explore the feasibility of importing water into the Colorado River Basin.

I suggest in the light of the colloquy my distinguished junior colleague has just completed with the Senator from Colorado, we in Wyoming have come out of the conference with a much shorter end of the stick than we went into the conference with.

Would the Senator care to comment on that?

Mr. ALLOTT. Mr. President, I would be happy to do that. We in Colorado have been over this argument many times. I feel almost as if I were repeating a rhyme that I learned as a child. We have discussed it so many times.

I am very bitterly disappointed over this one facet, although my colleague in the House, the chairman of the Committee on Interior and Insular Affairs, was willing—I will not say happy—to accept this particular provision which forecloses any study, even a reconnaissance study, for the importation of water into the Colorado River Basin for 10 years.

I have supported weather modification projects and research. I have supported legislation and appropriations for desalination plants. However, in the cold, hard light of day, neither of those offer a feasible way of increasing the water supply of the Colorado River.

As an example, aside from the technological and scientific aspects of weather modification, if we could just project the amount of legal difficulties that will ensue once we start a weather modification program, it does not require much imagination to see that a meaningful augmentation of the river by means of weather modification is a long way away. As to desalination, there have been no significant breakthroughs in 5 years that I know of. The most recent attempt to have a water desalting plant has been abandoned. I do not know whether it has since been put back on the track, but it has been recently abandoned and will require renegotiation. It was abandoned at just about the time we were holding these conferences. This was occasioned because of the great increase in the cost of the desalination plant—an increase from approximately \$450 million to more than \$760 million.

I do not think any of us can see at this time any prospect that we will be able to use desalinated water for farm and agricultural uses. Desalinated water will be able to be used for municipal purposes, but not for farm and agricultural purposes in the near future.

So, I am concerned and I am disappointed because of the one thing that nearly kept me from signing the conference report, that is that for 10 years we have diminished the exciting powers of the Secretary of the Interior. He now has a right to perform reconnaissance studies for the importation of water; but we have diminished the existing powers do this at all." He can do it, however, with respect to California. He can look to the waters of northern California, but he cannot look beyond the borders of California.

I am deeply disappointed that such a situation prevailed. However, it will be at least 10 years, I believe, before the central Arizona project is operating fully. And by that time the proscription against the Secretary will have expired.

Mr. McGEE. I appreciate the comment of the Senator on that very factor. I think it is a key factor.

It seems to me that, given the time, as rapidly as things are changing and as quickly as we are moving into new areas, this cannot be regarded as wise legislation in that regard.

It is at least standing still, in the very best of terms, and in the worst of terms, it is going backward.

We have tried to be very cooperative in the upper basin on this question. And, believe me, we think that Arizona ought to have this water for development. We believe, however, that at the same time the States that are so closely linked together in the Colorado project ought to have been a little more careful in standing together to protect the water needs and the water rights of all of us. And we firmly believe that the State of Wyoming perhaps suffered the most in the agreement that was ultimately reached in this matter.

I say to the Members of the Senate that, as our needs are mounting very rapidly now and as change is sweeping across our own State, my junior colleague and I will be before the Senate with a program asking for the help of Congress in recapturing, restoring, and returning water to the State of Wyoming for our future development.

I am a realist about that. I know that once this water gets committed to central Arizona over a period of years, it will be very difficult to uncommit it and to get it back to where it was supposed to be in the first place. This may mean that we will have to find some way in our own State to try to break through in this area in the search for new water. We do not have the greatest resources in order to do that. That is one of the reasons why we need help.

I dislike to see the fabric of the Western States become unraveled this way, when we should have remained with a strong and mutual linking of arms in the development of water resources in the West.

Mr. ALLOTT. I do not know whether the Senator was on the floor a few moments ago when I was in colloquy with the junior Senator from Wyoming [Mr. HANSEN]. I do not think that Wyoming has been abused by this measure.

There are problems, as the Senator well knows, within Wyoming—problems not of people but of getting projects under way and getting them approved. Unfortunately, Wyoming has not been brought to the place at this time where she can share in this development with Arizona and with Colorado in this instance.

But I say to the Senator from Wyoming, as I said to his colleague, that so far as the Senator from Colorado is concerned, as long as he is a Member of the Senate, he will support Wyoming in the development of the water to which it is just as much entitled as is Colorado,

Utah, or New Mexico by reason of the various compacts.

Second, I should like to make this point: If plain English can be written, and it is repeated in several ways during the course of the proposed legislation and the House report—and this must be a part of legislative history—nothing in God's world can deprive Wyoming of the right to develop and use its water under this bill. I believe we should have an understanding on that, because not one of us in the Upper Basin States could vote for this measure under any circumstances if there were any other interpretation.

Mr. McGEE. Mr. President, I appreciate the thrust of the statement by the Senator from Colorado. I would only hope that the clarity of his declaration today and the sincerity of his own pledge on this question will still be able to translate some day into the authorization of Congress itself, which, as the Senator well knows, is sometimes a complication of considerable proportions.

My State objects to authorizing the central Arizona project because the bill in its present form is inconsistent with the basic principles of sound planning and development.

To be blunt, Mr. President, the bill works only hardship on Wyoming. We have no projects included. Where a sop has been thrown to others, we have none. Nor did we want it. All Wyoming seeks, all Wyoming has ever sought, has been reasonable assurance that the waters allocated to Wyoming under interstate compact will be available to Wyoming as our day of need arrives. And that day of need is fast arriving.

The conference committee report is, in Wyoming's view, a report which compounds our difficulties with this legislation. It clamps a 10-year moratorium upon so much as a study of transbasin diversion from the Pacific Northwest to the Southwest.

Along with all Wyomingites, Mr. President, I was deeply disappointed when the other States involved in this issue, particularly the States of the Upper Colorado River Basin, settled for short-range gains in the form of their individual projects which have been thrown into this bill instead of insisting upon a long-range approach to the very serious problem of a short water supply in the Colorado River. We are told that exhaustive studies of methods to augment the basin's water supply will be undertaken. But we ask what kind of exhaustive study can be made while the possibility of transbasin division works is overlooked at least for a decade.

In 10 years' time, Mr. President, the situation will be not better but worse if this is the type of "exhaustive study" we are going to rely upon.

Authorization of this project represents a tremendous burden upon Wyoming, for it seems clear at this time that development of the Green River Basin in Wyoming is going to fall on the shoulders of the State, if indeed, an \$832 million project is undertaken downstream that will utilize these waters. I assure my colleagues that Wyoming will one day be before Congress in an attempt to

regain what we are seriously threatened with losing today. But I am not optimistic that one lone State with few people and no allies will be able to prevail when that day comes. Rather, I expect that we will have to see to the financing of our own Green River development if the cooperation we have received so far in assuring availability of our allocated water is any measure of future events.

Let me add that Wyoming has no desire to see Arizona denied the water needed for its full development. Nor do we have rancor toward any other State benefited by this measure. We simply contend that the glossy claims that this conference report has settled all the water troubles of the Colorado Basin are untrue and unfair. It has compounded our problems, Mr. President. Wyoming cannot, Wyoming will not, wait until the end of this century to see how much water is available before moving ahead to utilize the water which is rightly hers. We have dreams, and we have plans to realize those dreams, to make full use of our water from the Green River.

Much has been made by the sponsors of this legislation and its supporters of the interstate cooperation that was achieved in bringing the bill to passage. While I commend, in particular, the work of our beloved colleague, the Senator from Arizona [Mr. HAYDEN] in diligently pursuing the interests of his State, I submit that the cooperation was not as general as supporters of the central Arizona project would have you believe.

We in Wyoming look ahead and see a half million acre-feet of water that is rightfully allocated to our State going downstream to the central Arizona project. We have difficulty picturing a future Congress authorizing a Wyoming project at a later date which would utilize this water and thus jeopardize the very expensive project proposed in Arizona, law or no law. In return, we have a study of ways in which to augment the flow of the Colorado River Basin which cannot for 10 years even consider one of the most logical means—transbasin diversion.

What else can Wyoming do, Mr. President, but object to this legislation? I ask my colleagues who are interested in sensible, long-range planning for the future on a regional and national basis to join me in casting a vote against the adoption of this conference report.

I understand that there probably will not be a rollcall vote on this matter today, and I want the RECORD to show that I remain unalterably opposed to the conference report for those reasons.

I do not want this to be construed in any way as aiming at Arizona. We believe Arizona should have the water, also. It is not with any kind of animus. It is just that I believe we have broken down our teamwork in the West in trying to get a uniform development of all the water resources.

For those reasons, I intend to oppose this measure.

I thank the Senator for yielding to me.

Mr. ALLOTT. The Senator is entirely welcome to the time.

I must say that in certain instances, interests become fractionated. I am completely in sympathy with the position of

Wyoming in its water development, and I have expressed myself on that matter before.

One final matter, in conclusion, Mr. President—and I address this question to the chairman of the committee.

Section 303(d) provides, in substance, that if a thermal generating plant is constructed in Arizona and is served by Colorado River water, "such consumptive use of water shall be a part of the 50,000 acre-feet per annum apportioned to the State of Arizona by article III (a) of the Upper Colorado River Basin Compact."

Section 601(a) provides, in substance, that "nothing in this act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions" of the "Upper Colorado River Basin Compact" and, of course, other compacts, treaties, and acts referred to there.

My question to the distinguished chairman is this: Does the chairman of the committee believe that these two provisions, taken together, require that water used to generate power at the proposed generating plants will be chargeable to Arizona's Upper Basin apportionment, as apportioned by the Upper Colorado River Basin Compact, and that all of the provisions of the compact, including but not limited to article VII, remain binding upon the United States and the signatory States of the compact?

Mr. JACKSON. The answer to the able Senator's question is "Yes," if the plant or plants are built in Arizona. The Senator from Washington assumes that the Senator from Colorado is referring to the construction of the plants in Arizona.

Mr. ALLOTT. That is correct.

Mr. JACKSON. The answer, then, is "Yes."

Mr. ALLOTT. I thank the Senator very much.

Mr. President, I yield the floor.

Mr. FANNIN. Mr. President, during the 89th Congress I had the privilege of addressing this body on the need for action on the central Arizona project bill. I pointed out that time was running out and that there was a critical need for favorable action on this bill.

My colleagues can appreciate my deep gratitude as I ask the Senate to place the last congressional stamp of approval on this project so vital to the future of Arizona and other States of the West. It was you, my colleagues, after lengthy debate, who overwhelmingly voted for this bill last year.

Arizona has been proud to work with the upper basin States, including the great State of Colorado, and I wish to pay tribute to the senior Senator from Colorado for his leadership in reclamation projects over the years. The Colorado projects included in this bill have our best wishes and our good will, and we hope they can proceed as nearly as practicable concurrently with the central Arizona project.

I am, however, greatly concerned that the distinguished Senator from Colorado has attempted to place such a strict and rigid construction on section 501(b) of the bill.

I must categorically deny that any such rigid interpretation was ever intended by the House committee or the conferees. His claim that the central Arizona project can only proceed if and when all five Colorado projects are likewise ready to proceed not only is in conflict with the literal wording of the section but also violates the general approach which was attempted when this language of the bill was arrived at. Such an interpretation—if accepted by the Secretary and the Committees on Appropriations of the House and Senate—could delay construction indefinitely and perhaps forever. In fact, section 501(b) of the bill prohibits the start of construction of any of the upper basin projects until repayment contracts have been executed, and, relating to the Animas-La Plata project, prohibits construction of that project until after the States of Colorado and New Mexico have ratified a compact between the two States. Under my colleague's strict interpretation of section 501(b), construction of the central Arizona project would depend then upon this action by these two States and the action of the individuals associated with each project—not upon the will of Congress.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. FANNIN. I am glad to yield to the distinguished Senator from Arizona.

Mr. ALLOTT. Mr. President, I think the Senator is reading something into my statement that I did not say. I did read section 501(b) twice, and I am aware of the proviso of the act which concerns him. I understand his concern. To put it bluntly, he is afraid that one of these projects could not be constructed or could not be made ready for construction, that Arizona would be held up. I have no such intention on my part.

The proviso which states: "Provided, That an appropriate repayment contract for each of said participating projects shall have been executed as provided in section 4 of the Colorado River Storage Project Act (70 Stat. 107) before construction shall start on that particular project." means that each one of these projects certainly has to qualify under the reclamation laws; and certainly the Secretary would enter into a repayment contract with the sponsoring organization of that particular contract, whether it was a conservation district, an irrigation district, or whatever, before starting construction.

Therefore, I think the fears of the Senator are not justified. If, for example, the Colorado Water Conservation Board, which is the official body charged with the development, conservation, and use of water in Colorado, were to decide it would not push one of these particular projects in the future and there was a change in economic development which would not make one of them feasible, then I would not consider—and I am happy to make this statement—that Colorado should take the stand, under such circumstances, that because we are not in the process of developing one of these projects Arizona should be held up and kept from developing the Arizona project. That is not the intention of the bill;

it is not my intention, nor it is the intention of any of the conferees, nor those who serve on the committee.

Mr. FANNIN. I thank the distinguished Senator from Colorado. I know the Senator knows that Arizona desires to cooperate with Colorado. We have always cooperated with Colorado. I am sure this measure will receive solid support from the Arizona delegation.

Mr. ALLOTT. If the Senator will yield further I would like to take another moment to clarify this matter for the benefit of the Senator.

Mr. FANNIN. I yield to the Senator from Colorado.

Mr. ALLOTT. I think the Senator would be interested in our position in the matter. I am not anxious to mix the situation; I am anxious to clarify it and that is why I am taking so much time this afternoon.

With respect to the Animas-LaPlata Federal project, I wish to read the last sentence of section 501(c), which states:

Provided, That construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

Then, the terms of the compact are stated. Colorado and New Mexico have to agree to the compact.

Mr. FANNIN. Yes.

Mr. ALLOTT. And until such time as they have agreed to it we are not even in a position to ask for funds for the Animas-La Plata compact.

I am not trying to confuse the record. I am trying to clarify our own thinking because we all have a common interest in the Western States of developing our water and reclamation. If people had not been foresighted almost 75 years ago, or 60-some-odd years, we would not have had the West we have. We would not have that great development around Phoenix nor would we have the development in Colorado that we have. Having this common interest, I am as interested as anybody else to see that we understand each other thoroughly and assure that there will be no untied strings on this legislation when we approve the conference report this afternoon. I know how much it means to my friend.

Mr. FANNIN. I thank the distinguished Senator from Colorado. I appreciate his viewpoints in the matter.

The Colorado projects have our best wishes and our good will—and we hope they can "proceed as nearly as practicable—concurrently with the construction of the central Arizona project."

I am therefore pleased, and very proud, to be here today on this historic occasion as a Member of this body representing my State. I am pleased and proud to see the efforts of so many, both in and out of the Congress, finally come to fruition. It has been a long and difficult struggle for many people to bring the central Arizona project legislation to this point in time. Arizona has made major concessions to make possible this project to bring water into its heartland. To bring the States of the Colorado River Basin and the majority of the reclamation States into a har-

monious approach to the interconnected, the interrelated water problems of the vast region of the Pacific-Southwest is a result almost beyond belief.

I want to take this opportunity, not just to express my appreciation to the Members of this body who have so willingly and patiently cooperated with us in this effort, but I want, also, to express my thanks and appreciation and give recognition, to the many people at home who helped in a multitude of ways, to the loyal staff members on both sides of the aisle who worked long and well in bringing about this final version of the legislation and to the technical people from the various States who assumed the role of a task force to provide information and assistance to their various State delegations. To all of these people from all the States involved I express the thanks and appreciation of the people of the State of Arizona.

This is a great day in the history of western resource development. This bill removes many of the areas of conflict which have for years existed among the States of the Colorado River Basin, and in some measure, among all States of the West. It ushers in a new era of cooperation and understanding and pioneers a new concept in the reclamation movement, the concept of interstate or regional water resource development for the mutual benefit of large areas of our country.

For my own State it finally brings to fruition the dreams of many people throughout the years of bringing Colorado River water into the central and southern portions of Arizona—the portion of the State where the majority of our people live, the area which has already exceeded its safe water supply and which is already suffering badly from the return of thousands of acres of fertile irrigated land to abandoned farm house and dry desert lands. For us it is the promise of a new life. It will assure us that our State does have a great future, not a future which levels off and declines due to inadequate water to provide for the legitimate needs of our people.

True, the bill is a series of compromises. We did not get everything we desired, but neither did Colorado, California, Utah or any of the other interested States. This is the traditional pattern all legislation of this magnitude and of this complexity must follow.

Of particular importance in the bill is the provision which makes the 4.4 California guarantee less damaging to Arizona, the declaration that the satisfaction of the requirements of the Mexican water treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project.

However, studies of any plan for importation of water into the Colorado River Basin from other drainage basins lying outside the Colorado River Basin States are prohibited for a period of 10 years. During this moratorium all other phases of the westwide water study will go forward and after the moratorium ends the overall westwide study can continue without restriction.

But basically, and substantially it is good legislation and legislation which all of us in the West can live with if we proceed from this point in time in good faith and with mutual respect for the problems and the needs of each other.

Many Senators know the history of this project and this bill. But there are none who know it so intimately as my colleague, the distinguished Senator from Arizona who is the dean not only of the Senate but of Colorado River authorities as well, Senator CARL HAYDEN. I pay tribute to him at this time.

Beginning with the first giant step of Hoover Dam, he has been personally involved in every piece of legislation that made possible the modern miracles of productive farms and gleaming new cities in the Southwest.

After World War II, Arizona twice came to the Congress with a feasible project to bring its share of Colorado River water into the central valleys where it was, even then, so badly needed.

Twice—in 1950 and again in 1951—it was approved by the Senate and sent to the House. Both times it ran afoul of the old Arizona-California feud and doubts about the validity of Arizona's water rights.

In good faith, and because it was the right thing to do, Arizona's representatives in the Congress of both parties gave their wholehearted support to the Upper Colorado River project and helped achieve its passage.

Today the Nation has Glen Canyon Dam and Lake Powell—one of the truly magnificent bodies of water in the world—a lake that enriches the esthetic and recreational opportunities of millions of Americans for generations to come.

Moreover, farms and cities in Colorado, Utah, New Mexico, and Wyoming can look forward to an increased measure of stability and economic growth because of the related projects made possible by Glen Canyon Dam and Lake Powell.

Having won its case in Court, Arizona then renewed its struggle to translate rights on paper into water on the land.

It was during this period, Mr. President, that I became officially involved in this matter. As one who was privileged to serve three terms as Governor of Arizona, I can testify from experience to the mounting frustration in our State and the growing anxiety over continued delays in attacking our water deficiency problem.

Many of us felt at the time that Arizona simply could not afford to gamble any longer with its future.

We had kept the faith with our sister States in the basin. We had waited patiently while their projects were authorized and constructed, and we pitched in to help.

We had done everything the Congress asked us to do but we still had no water.

A realistic political appraisal of our prospects for action in Congress afforded us little if any encouragement.

But as a westerner I am proud to say that the political and citizen leadership of the Colorado River Basin States has proved equal to the challenge.

We faced our problems and our differences squarely. We spent countless hours in exploratory meetings searching for the common ground we realized was mandatory.

Throughout this tedious and often discouraging process we enjoyed the firm support and cooperation of the Bureau of Reclamation.

I cannot begin to mention all of the individuals and organizations in the various States who have contributed so much to this continuing joint enterprise. All of them deserve credit for their perseverance and courage.

We have learned it is possible for men of good will to transcend old, static ways of thinking about water in terms only of local advantage and State boundaries.

In the time-tested American tradition we have hammered out a unified approach through honorable compromise—a compromise in which Arizona has made many concessions.

The principles and objectives remained the same—maximum possible development of all resources of the Colorado River to provide the greatest good for the greatest number.

I respectfully urge that the conference report be approved as amended by the conferees and that S. 1004 be enacted into law.

Mr. HANSEN. Mr. President, will the distinguished junior Senator from Arizona yield so that I may ask two or three questions with respect to this matter?

Mr. FANNIN. Mr. President, I welcome the questions of the distinguished Senator from Wyoming.

Mr. HANSEN. Since we agree that Wyoming's rights to Colorado River water are left intact by this legislation—and I think the Senator has indicated that; is that correct?

Mr. FANNIN. The Senator is correct. The bill speaks for itself in that regard.

Mr. HANSEN. Then I wish to ask the Senator if he agrees that when—and I think it will be soon—Wyoming is ready to put its due share of water to beneficial use, that the Congress and its committees should and will give every consideration to Wyoming's needs, just as the Congress is now giving consideration to our sister States in the Colorado River Basin?

Mr. FANNIN. I agree with the distinguished Senator. I am sure the committee will cooperate and certainly I know that this Senator from Arizona will be happy to cooperate.

Mr. HANSEN. I appreciate the response of the distinguished Senator.

I wish to ask the Senator a further question. It has always been Wyoming's view that the Colorado River Compact of 1922, the Upper Colorado River Basin Compact, and the Mexican Water Treaty of 1944 represent the supreme law of the Colorado River. Does the Senator agree with Wyoming's view in this regard?

Mr. FANNIN. I think there has been considerable controversy as far as some of the provisions are concerned. As far as the Colorado River Compact is concerned, I agree. As far as the Mexican Water Treaty is concerned, I feel the

interpretation utilized in this legislation is proper.

Mr. HANSEN. I wish to ask one further question. Is it the Senator's view that the legislation before us today abrogates or diminishes in any way the rights of Wyoming to water of the Colorado River allocated in accordance with these instruments I have just mentioned?

Mr. FANNIN. As far as I am concerned I did not consider that was the intent.

Mr. HANSEN. I thank my distinguished colleague, the Senator from Arizona.

Mr. KUCHEL. Mr. President, this is an historic day for the entire West. Forty years ago, the senior Senator from Arizona [Mr. HAYDEN] battled in this Chamber with my illustrious predecessor, the late, great Senator Hiram W. Johnson, over legislation to create the first major dam and reservoir on the Colorado River.

Through the long, intervening years, the vital interests of California and Arizona and other Colorado River Basin States have been the subject of countless hours of negotiations and deliberations. I am honored today to rise in comradeship with the most distinguished member of this body, the beloved senior Senator from Arizona [Mr. HAYDEN] to put an end to the decades of strife and turmoil over the scarce waters of the river which divides our great States. An historic dispute is about to be resolved in what surely will live in history as one of the fine hours of the Senate.

I pay tribute to our able chairman, my friend, Senator HENRY M. JACKSON, for his leadership and fairness in dealing with a legislative proposal in which his State felt a keen and active interest.

The Colorado River Basin Project Act will be a sound addition to the "law of the river," the 45-year accumulation of statutes, compacts, treaties, and court decrees which govern the uses of the waters of the Colorado River system in the seven States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming—one-twelfth of the area of the first 48 States.

It balances, fairly and equitably, the interests of Arizona, California and Nevada, and the four Upper Basin States of Colorado, New Mexico, Utah and Wyoming. It states the terms on which California and the Upper Basin States could agree to support the authorization of the central Arizona project, which will add a new burden upon the already scarce flow of the Colorado River.

This bill is highly satisfactory to California for it resolves most of the past ambiguities and controversies inherent in the "law of the river," and it lays the foundation for future cooperation in development of the region's water resources.

In 1963, the U.S. Supreme Court handed down its opinion, followed by its decree in 1964, in Arizona's fourth Colorado River suit in that Court. It dealt with two issues: first, the quantities of water to be apportioned to each State. This question it decided, allocating, of the first 7.5 million, 2.8 million to Ari-

zona, 4.4 million to California—the limitation to which my State had been required to agree in 1928 in the Boulder Canyon Project Act—and 300,000 acre-feet to Nevada. The second, and far more serious question, was how shortages should be borne if the supply is less than 7.5 million. This question the Court refused to decide and remitted to the Secretary or to Congress.

To his great credit, Secretary of the Interior Udall proposed to Congress, in 1963, a regional plan to import enough water into the river to assure against shortages. No one, however, introduced his proposed bill. I introduced my own regional plan, S. 2760, in the 88th Congress, and I followed with a similar bill in the 89th Congress, S. 294. The seven States of the Colorado River Basin were stimulated to agree on a joint bill—the first agreement among these States in several decades—and I introduced that bill as S. 1019, in the 89th Congress. This was followed by introduction of counterparts to my bill in the House, in the 89th Congress, by 35 of California's Congressmen and all three of Arizona's. This House bill was favorably reported out of committee, but did not reach the House floor.

In the 90th Congress, vastly different bills were passed by the Senate, S. 1004, and by the House, H.R. 3300. The bill now before us is S. 1004, amended, however, to contain most of the provisions of the House bill. These, in turn, correspond generally to the provisions of my bill, S. 1019, and its House counterparts in the 89th Congress, as reported out of the House committee in that Congress, but there are important changes.

California's objectives have been threefold: First, priority protection of California's existing projects in the event of shortage; second, investigating water supply and requirements, and launching a realistic program of importing new water into the river to bring the water budget into balance, with adequate protection of the areas from which the new water is imported; and, third, provision for financing the augmentation program. These three objectives were all addressed in consideration of this bill.

PRIORITY PROTECTION OF EXISTING USES

Mr. President, California has three Colorado River projects: the Metropolitan Water District's Colorado River Aqueduct, which transports water from the Colorado to the coastal plain, supplying water to more than 12 million people, over half of California's population; the All-American Canal, which supplies water to the Imperial Irrigation District and Coachella Valley County Water District, two of the richest irrigated agricultural areas in the world; and the Palo Verde project, having the oldest significant water rights on the river. These three projects cost more than \$600 million, secured by liens on the homes, farms, and industries of southern California.

These projects were built to use 5.4 million acre-feet annually of Colorado River water, and they have put more than 5.1 million of this to use. Palo Verde began using water in 1877, Imperial about 1903. But, in 1928, when

Arizona opposed the Swing-Johnson bill, which became the Boulder Canyon Project Act, Congress attempted to fashion a compromise which restricted California to 4.4 million acre-feet of the first 7.5 million available to the three States of Arizona, California, and Nevada, plus one-half of any excess or surplus available above 7.5 million. The intent was to permit these three projects to appropriate and put to use 4.4 million acre-feet, protected by the law of prior appropriation which prevailed in all seven States and which the U.S. Supreme Court had given interstate effect in the case of *Wyoming v. Colorado*, 259 U.S. 419 (1922). But, with respect to California's uses of water above 4.4 million, it was clear that we would have to prorate the available supply with Arizona—one-half to each.

To complete the equation, Congress proposed that the remaining 3.1 million of the first 7.5 million be divided 2.8 to Arizona, 300,000 to Nevada.

The U.S. Supreme Court in the cases of *Arizona v. California*, 373 U.S. 546, in 1963, adopted these quantities as the basis of its decreed apportionment—2.8 million to Arizona, 4.4 million to California, 300,000 to Nevada. There had never been any dispute about these figures, but there had been serious dispute for nearly 40 years on two points which were related to these quantities: First, whether Arizona's 2.8 million included or excluded the uses she has made in the Phoenix area of the waters of the Gila River, a tributary of the Colorado, amounting to about 1.7 million acre-feet annually. If so, Arizona could claim from the main stream only 1.1 million of the first 7.5 million. The Supreme Court decided this issue in Arizona's favor, excluding the Gila. Second, if the main stream supply should be less than 7.5 million, how should the shortages be allocated? The Special Master whom the Court appointed to take testimony in Arizona against California recommended that the short supply should be prorated among the three States, even if this meant that existing uses in California should be cut below 4.4 million acre-feet.

The Supreme Court unanimously disagreed with that recommendation, and I rejected it, holding that Congress had enacted no shortage formula, and that either the Secretary of the Interior or Congress could do so now, reserving to the Court the jurisdiction to review any formula that the Secretary might promulgate.

The bill that we are about to enact resolves the shortage issue, and does so in a way completely satisfactory to California.

Section 301(b), in substance, directs the Secretary of the Interior to so administer the decree in Arizona against California that, if there is insufficient water to satisfy 7.5 million acre-feet of consumptive use from the main stream in Arizona, California, and Nevada, diversions for the central Arizona project shall be so limited as to assure the availability of 4.4 million acre-feet for use by existing projects in California. Section 301(c) directs that this limitation on the

central Arizona project diversions shall not apply so long as the Secretary proclaims that means are in operation which augment the water supply of the Colorado River in sufficient quantities to make 7.5 million acre-feet of main stream water available for use in the three States.

Section 606(g) defines "augmentation" as meaning to increase the supply of the Colorado River or its tributaries by introduction of water into the Colorado River system which is in addition to its natural supply. The intent is to negate any contention that the furnishing of water to the metropolitan water district on the coastal plain of southern California, or to any other user by means other than the introduction of new water into the river, will qualify, as a contribution to the 7.5 million, hence as a device for suspending the protection of California's 4.4 million.

To be plain about it, the shortage issue, which the Supreme Court refused to decide, is now decided in California's favor by Congress. Fairness dictates that it should be. And, because it is decided in California's favor, California is able to support authorization of the central Arizona project. Again, to be plain about it, the priority protection for California's 4.4 million acre-feet is permanent. This is because under the terms of article II(B) (1) of the Supreme Court's decree, California is apportioned 4.4 million whenever 7.5 million is available, and under the terms of section 301(b) of the new act California receives 4.4 million when the supply is less than 7.5 million, the central Arizona project diversions being reduced to the extent required to assure this, and the priority protection assured by section 301(b) is only suspended by section 301(c) when the river is augmented sufficiently to restore the supply to 7.5 million, thus making the 4.4 million available per article II(B)(1) of the decree. In short, the priority is suspended only when it is not needed.

Mr. President, because of the tremendous importance to California of these protective provisions, I ask unanimous consent that they be printed in full in the RECORD.

There being no objection, the provisions were ordered to be printed in the RECORD, as follows:

SEC. 301. (b) Article II(B)(3) of the decree of the Supreme Court of the United States in *Arizona against California* (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient main stream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversions from the main stream for the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use by holders of present perfected rights, by other users in the State of California served under existing contracts with the United States by diversion works heretofore constructed, and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of mainstream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater than would have been imposed in the absence

of this subsection 301(b). This subsection shall not affect the relative priorities, among themselves, of water users in Arizona, Nevada, and California which are senior diversions for the Central Arizona Project, or amend any provisions of said decree.

(c) The limitation stated in subsection (b) of this section shall not apply so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada.

SEC. 305. To the extent that the flow of the main stream of the Colorado River is augmented in order to make sufficient water available for release, as determined by the Secretary pursuant to article II(b)(1) of the decree of the Supreme Court of the United States in *Arizona against California* (376 U.S. 340), to satisfy annual consumptive use of two million eight hundred thousand acre-feet in Arizona, four million four hundred thousand acre-feet in California, and three hundred thousand acre-feet in Nevada, respectively, the Secretary shall make such water available to users of main stream water in those States at the same costs (to the extent that such costs can be made comparable through the nonreimbursable allocation to the replenishment of the deficiencies occasioned by satisfaction of the Mexican Treaty burden as herein provided and financial assistance from the development fund established by section 403 of this Act) and on the same terms as would be applicable if main stream water were available for release in the quantities required to supply such consumptive use.

SEC. 606. (g) "Augment" or "augmentation", when used herein with reference to water, means to increase the supply of the Colorado River or its tributaries by the introduction of water into the Colorado River system, which is in addition to the natural supply of the system.

Mr. KUCHEL. Mr. President, a final word about California's annual uses of the Colorado in excess of 4.4 million acre-feet of Colorado River water. These were put in jeopardy, not by the Supreme Court opinion, but by the bargain exacted of California by Congress in 1928. Four decades of comparative drought since that date have demonstrated that there is no "excess or surplus," dependable on a long-term basis, no matter whether the Gila is included or excluded in the calculation. California's uses above 4.4 million, being dependent on the physical availability of surplus, were foredoomed by Congress in 1928 if the wet years of the early quarter of the century should fail to return, and this has happened. Arizona and California both suffer the consequences, California in the pending loss of use of some 700,000 acre-feet of surplus that we once enjoyed, Arizona in the assumption of the risk of the next loss, when the common supply shrinks below 7.5 million.

It is this common problem which has drawn us together in a bill designed to ultimately add enough water to the river to assure both of us against additional losses, preserving 4.4 million for California, 2.8 million for Arizona, 300,000 for Nevada.

AUGMENTATION INVESTIGATIONS

The report of the House conferees (H. Rept. No. 1861, 90th Cong., second

sess.) sets forth very candidly the bill's provisions for investigations of new sources of water. I ask unanimous consent that a portion of that report be printed in the RECORD at this point.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

The language developed by the committee of conference as a substitute for section 201 of the House amendment directs the Secretary of the Interior to conduct full and complete reconnaissance investigations for the purpose of developing a general plan to meet the future water needs of the Western United States, a term which is defined in title VI of the conference report as those States lying wholly or in part west of the Continental Divide. The investigations and development of the plan are to be in accordance with reclamation law, and the studies, investigations, and assessments of water availability must be coordinated with other water planning activities being conducted under the Water Resources Planning Act. The purpose of the reference to the Water Resources Planning Act is to assure cooperation and coordination among all Federal agencies, affected States, and study commissions established pursuant to the Planning Act and to eliminate possible duplication in the overall water resources planning effort. The reference to the Planning Act does not, of course, subject the Secretary of the Interior to the prohibition in that act against the study of trans-basin transfers of water.

It is intended that the Secretary initiate this westwide planning effort by determining the water supplies available and the long-range water requirements in each water resource region of the Western United States. When this phase of the study is completed, the Secretary can then proceed with investigations to determine the most economical means of augmenting the water supply of the Colorado River in order to serve the most critical water-short area of our Nation. When the water needs of the Colorado River Basin and the time schedule therefor have been established, all possible sources of water must be considered, including water conservation and salvage, weather modification, desalination, and importation from areas of surplus. However, for a period of 10 years from the date of this act, the Secretary cannot undertake studies of any plan for importation of water into the Colorado River Basin from any other drainage basin lying outside the States of Arizona, California, Colorado, New Mexico, and those portions of Nevada, Utah, and Wyoming which are in the natural drainage basin of the Colorado River. As the studies proceed, the Secretary is required to submit progress reports every 2 years and to submit, not later than June 30, 1977, a completed reconnaissance report on water supplies and water requirements for the entire 11 Western States area as well as the possibilities of augmentation from within the Colorado River Basin States. Both the progress reports and the final reconnaissance report are to be submitted to the President, the National Water Commission (while it is in existence), the Water Resources Council, and the Congress.

The investigations and studies under this title do not end with submission of this initial report in 1977. This is only the first phase. It is intended that, following the completion of this phase of the investigations and studies, the Secretary shall continue, pursuant to existing authority, to pursue vigorously the stated objective of section 201 which is to develop a general plan to meet the future water needs of the entire Western United States. He is expected to make such recommendations with respect to feasibility studies as are justified and appropriate, including feasibility studies of augmentation opportunities within the

Colorado River Basin States. Also, it is intended that the Secretary, when the 10-year moratorium on studies of importation from outside the Colorado Basin States comes to an end, will conduct such additional reconnaissance investigations as are justified of importation from outside the Colorado River Basin States and make such recommendations with respect to feasibility studies as are warranted. He will do this pursuant to existing authority and in the light of the investigations and studies he has completed up to that time.

The importance to the central Arizona project and to the entire West of the westwide water planning provided for in this legislation cannot be overemphasized. While there is disagreement with respect to time, the cold fact remains that eventually the water supply for the central Arizona project from mainstream Colorado River water will be reduced to less than 300,000 acre-feet annually unless augmentation becomes a reality.

Mr. KUCHEL. Mr. President, if water is imported into the Colorado, the likely areas of origin are either the rivers of northern California or the Columbia River Basin. California has as much interest as any of the Columbia Basin States in protecting its future. For this reason, California has insisted on language which gives about as complete protection to areas and States of origin as could be devised.

Mr. President, I ask unanimous consent that the area of origin language be printed in the RECORD at this point.

There being no objection, the language was ordered to be printed in the RECORD, as follows:

SEC. 203. (a) In the event that the Secretary shall, pursuant to section 201, plan works to import water into the Colorado River system from sources outside the natural drainage areas of the system, he shall make provision for adequate and equitable protection of the interests of the States and areas of origin, including assistance from funds specified in this Act, to the end that water supplies may be available for use in such States and areas of origin adequate to satisfy their ultimate requirements at prices to users not adversely affected by the exportation of water to the Colorado River system.

(b) All requirements, present or future, for water within any State lying wholly or in part within the drainage area of any river basin from which water is exported by works planned pursuant to this Act shall have a priority of right in perpetuity to the use of the waters of that river basin, for all purposes, as against the uses of the water delivered by means of such exportation works, unless otherwise provided by interstate agreement.

FINANCING AUGMENTATION WORKS

Mr. KUCHEL. Mr. President, the bill contains two major provisions for the financing of works to add new water to the river. One is the creation of a development fund; the other is a direction that the cost of importing water to offset the Mexican Treaty burden shall be non-reimbursable.

The development fund created by title IV is divided into two parts. One part will commit power revenues from the sale of power for use in California and Nevada after payout of the Hoover Parker and Davis projects to the cause of bringing more water into the river. The other part, fed by the revenues from the sale of Hoover-Parker-Davis power for use in Arizona, from the Nevada-

Arizona section of the Pacific Northwest power intertie after payout, from water charges paid by central Arizona project water users and from the Secretary's sale of surplus steam generated electric power, will initially finance the central Arizona project. The remaining surplus will also be available for augmentation works.

By the Mexican Water Treaty of 1944, the United States promised to provide to Mexico 1.5 million acre-feet of Colorado River water each year. But no steps were taken to assure that the water would always be available to flow into Mexico. I ask unanimous consent that the portion of the House conference report summarizing the way in which the burden of this treaty is placed upon the entire Nation be printed in the RECORD at this point.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

Section 202 warrants special mention. This section is a congressional declaration that satisfaction of the water requirements of the Mexican Water Treaty constitutes a national obligation which shall be the first charge against any augmentation project. It relieves both the upper basin and the lower basin from the Colorado River compact requirement covering deliveries of water to Mexico at such time as the Secretary of the Interior determines and proclaims that means are available and in operation for delivering annually into the Colorado River system sufficient water to satisfy the Mexican Treaty water requirements together with associated losses. A further provision in the House amendment made such relief to the Colorado River Basin States contingent upon the authorization of a plan to augment the Colorado River water supply by 2½ million acre-feet annually. This provision is retained in the conference version of S. 1004 which, however, adds clarifying language to indicate that such plan has not only to be authorized but also to be in operation to the extent of providing the additional water necessary to satisfy the Mexican Water Treaty requirements.

The declaration that satisfaction of Mexican Treaty water requirements constitutes a national obligation carries with it a nonreimbursable allocation of the costs of providing the necessary water or replacement for such water. The authority for this allocation on a nonreimbursable basis is included in title IV of the conference report, and clarifying language adopted by the committee of conference with respect to it is explained in this statement under title IV.

* * * * *

Section 401 of the conference report provides for allocation among the project purposes of project costs, including the costs of future units and augmentation works. It is the language of the House amendment with additional clarifying language in connection with the nonreimbursable allocation to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty. The new language adopted by the committee of conference provides that this nonreimbursable allocation shall be made on a pro rata basis to be determined by the ratio between the amount of water required to comply with the Mexican Water Treaty and the total amount of water by which the Colorado River is augmented pursuant to the investigations authorized by title II of the act and any future congressional authorization. This language is intended to prevent a disproportionate share of the cost of any augmen-

tation program from having to be borne by the taxpayers of the Nation. Under this new language, if a plan is authorized for augmenting the water supply available in the Colorado River by 2½ million acre-feet (the estimated amount necessary to satisfy annual consumptive use of 7,500,000 acre-feet of main stream Colorado River Water in Arizona, California, and Nevada and, thus, the amount most urgently needed and the amount contemplated for the initial augmentation program throughout the consideration of this legislation) and if it is assumed that 1.8 million acre-feet are required to comply with the Mexican Water Treaty, then eighteen twenty-fifths of the cost of such a plan would be nonreimbursable and seven-twenty-fifths of the cost would have to be repaid. However, should augmentation works be authorized to make available only increments of water within the amount required to comply with the Mexican Water Treaty, as would likely be the case should desalination be found to be the most economical means of augmentation, the total cost of such works would be nonreimbursable. On the other hand, should the investigations authorized by title II lead to authorization of a plan for augmenting the water available in the Colorado River by, say 8 million acre-feet through importation from an area of surplus, the nonreimbursable allocation would be limited to eighteen-eightieths of the total cost of the plan.

Mr. KUCHEL. Mr. President, the Mexican Treaty issue has now come full circle in the U.S. Senate. In 1945, California and Nevada stood alone among the seven States of the Colorado River Basin in opposing that treaty. The two States agreed that the guaranty of 1.5 million acre-feet of water annually to Mexico—more than twice her maximum use before Hoover Dam stored and conserved the floodwaters that previously wrecked the Mexican projects—was a burden which this river could not bear, that it would create shortages disastrous to American projects. Those arguments went unheeded. The treaty was ratified, although with 11 reservations. Today, Congress declares this burden to be a national obligation, and pledges Federal funds to the relief of this burden.

THE UPPER BASIN COMPROMISE

I said at the beginning that this bill represented an equilibrium between the forces of the Lower and Upper Basin States. Its enactment is made possible by the recognition of the necessity of protecting existing interests in the Upper Basin as well as in California. To that end, we authorize five projects in Colorado, extend financial assistance to one in Utah, and enact guidelines for balancing the operation of Lake Mead and Lake Powell. This is contained in section 602. It is necessarily quite complicated in statement, but its intended effect is simple enough: the two reservoirs shall rise and fall together, in reasonable but not exact coordination, so that neither will bear the full burden of drought, and neither will fill while the other is being drawn out.

CONCLUSION

As a U.S. Senator, I have represented California's interests in the waters of the Colorado River, to the best of my ability, for 16 years. It gives me great satisfaction to know that the Colorado River bill we are about to adopt fully protects California's interests. It contains the features for which I have

fought from the beginning: the complete protection of California's decreed 4.4 million acre-feet against shortages; the launching of a realistic augmentation program, which will, of course, take many years to fruition; the complete protection of the areas of origin, whether in the Columbia Basin or in northern California, from which water may be imported into the Colorado; the creation of a development fund to finance these importations; the recognition of the Mexican Treaty burden as the prime cause of shortages, and assumption of a national obligation to alleviate the effect of the treaty; and, finally, the settlement of the points of difference between the Upper and Lower Basins which might have occasioned another lawsuit.

I am glad to be able to say that 5 years ago I introduced the first regional bill, S. 2760, in the 88th Congress, to achieve the goals that the bill now before us finally will put into law. Let me say now, as I said 3 years ago in introducing a very similar bill, S. 294, in the 89th Congress:

I again hold out the hand of friendship to Arizona. I am willing now, not only to acquiesce in the construction of the central Arizona project, but also to join in sponsoring a bill authorizing its construction, on two reasonable conditions. The first is that the central Arizona project be part of a broader plan, simultaneously authorized, for the relief of the water shortages in the whole Colorado River Basin, not just Arizona. The second is, that if construction of the central Arizona project is to begin before imported water actually arrives in sufficient quantity to assure both States the survival of their economies that are now dependent upon the Colorado River, the central Arizona project bear the risk of the shortages that its construction would bring about. If Arizona will agree to these conditions, let us join hands in a single bill that will not only authorize construction of the central Arizona project, but which will also meet two other needs, which are just as urgent as Arizona's: the survival of the lower basin projects which already exist, and the filling of the upper basin reservoirs. The future life of the whole Colorado River Basin is at stake.

Arizona has agreed to these conditions in the bill we are about to enact. The Senate is about to do so. This is a historic moment. The hand of friendship which California offered has been accepted by Arizona. What I said then bears repeating now:

Mr. President, I repeat, this Congress can go down in history as the savior of the Pacific Southwest region of the United States. There is a rapidly burgeoning economy and a rising population in Arizona. The amazing progress in population and in wealth in my State of California continues. Their economies are intertwined. Their people are friendly neighbors. They need—as I am sure my friends in Arizona will agree—to think and plan together so that Congress can successfully enact legislation which will help both States, and which will also help Nevada and the Upper Colorado River States without doing damage to any other State.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to my able friend from Wyoming.

Mr. HANSEN. Mr. President, it has always been Wyoming's view that the Colorado River compact of 1922, the Upper Colorado River Basin compact,

and the Mexican Water Treaty of 1944 represent the supreme law of the Colorado River. I wish to ask my distinguished friend from California whether he agrees with Wyoming's view in this regard.

Mr. KUCHEL. The Senator from Wyoming is correct. He has enunciated the law of the river. The only reason why I described the Mexican Water Treaty in the fashion I did is that, as my able friend knows, by the Constitution treaties are the supreme law of the land; but to the extent that we talk about the law of the river, my able friend from Wyoming is completely correct.

Mr. HANSEN. I included the Mexican Water Treaty in my question.

I have another question which I should like to ask the Senator for the RECORD. Is it the Senator's view that the legislation before us today abrogates or diminishes in any way the rights of Wyoming to water of the Colorado River allocated in accordance with the instruments I have just mentioned?

Mr. KUCHEL. No; it does not. There can be no question about that. My answer to the Senator's question is no, without equivocation or doubt. I call the Senator's attention to section 601(2) of the bill, and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 601. (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River compact (45 Stat. 1057), the Upper Colorado River Basin compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994), the decree entered by the Supreme Court of the United States in Arizona against California and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774), or the Colorado River Storage Project Act (70 Stat. 105).

Mr. HANSEN. Since we agree that Wyoming's rights to waters of the Colorado River are left intact by this legislation, does the Senator agree that when and if Wyoming is ready to put its due share of water to beneficial use, Congress and its committees should and will give every consideration to Wyoming's needs just as the Congress is now giving consideration to her sister States in the Colorado River Basin?

Mr. KUCHEL. Of course I do, because, in my judgment, in greater or less degree, every Colorado River Basin State, Upper or Lower, is related in its water problems with all the others. They must go forward together. I can anticipate very easily the day when Wyoming will come forward with additional water projects which will utilize waters of the Colorado River for its own growth and for its own additional water needs, with exactly, I hope, the same sympathetic consideration that it has given to California, and which, at long last, has been given today to the central Arizona project.

Mr. HANSEN. I thank my distinguished friend and wish to express, at the same time, my genuine appreciation

for the great leadership he has given all of us as we have worked so hard on this most difficult and complex problem.

Mr. MURPHY. Mr. President, I wish to congratulate my esteemed colleague for the most excellent presentation given here today, and I would like my congratulations to stretch back over the long years of leadership he has given to this project, which has been so important, so vital, and so necessary to our State, and which has come finally to what I think is a most equitable, most fair, and most sensible solution of a problem that, had it not been for the fine leadership of my distinguished colleague, might very well have caused endless trouble for all of the States that border on the river. I congratulate him most highly for the job he has done, and I support the compromise reached by the conference committee.

I do so because it accomplishes the basic objectives of the bills in whose introduction I have had the privilege of joining with my esteemed colleague, Senator KUCHEL.

These are the objectives upon which the Colorado River Board of California and the water users of California have insisted. We have said that we could and would support the authorization of the central Arizona project if, and only if, the bill did these things: First, protected existing uses in California against shortages to the full extent of the 4.4 million acre foot limitation to which the California legislature agreed with the Congress in 1928; second, authorized a realistic investigation of means to add enough water to the river to avoid shortages in the future; third, protected the areas of origin from which water is exported to the Colorado; and, fourth, provided means of financing the augmentation works.

Mr. President, I submit that as far as I am concerned, this bill meets all these conditions, and I respectfully ask that the RECORD show what the bill accomplishes in these and other respects important to my State of California.

Consequently, I ask unanimous consent that my analysis of the bill, which I herewith submit, be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

1. PROTECTION OF EXISTING USES

Existing uses in California must have priority protection against the Central Arizona Project, to the extent of 4.4 million acre-feet, if the supply is less than 7.5 million. The bill does this. The language is in Section 301 (b) and (c), as follows:

"(b) Article II(B) (3) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient main stream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversion from the main stream for the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use by holders of present perfected rights, by other users in the State of California served under

existing contracts with the United States by diversion works heretofore constructed, and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of mainstream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater than would have been imposed in the absence of this subsection 301(b). This subsection shall not affect the relative priorities, among themselves, of water users in Arizona, Nevada, and California which are senior to diversions for the Central Arizona Project, or amend any provisions of said decree.

(c) The limitation stated in subsection (b) of this section shall not apply so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada."

"Augmentation" is defined in section 604 (g) so as to exclude the concept of exchanges on the coastal plain of California as a device to reduce California's right to 4.4 million acre-feet from the river. We say:

"(g) 'Augment' or 'augmentation', when used herein with reference to water, means to increase the supply of the Colorado River or its tributaries by the introduction of water into the Colorado River system, which is in addition to the natural supply of the system."

Moreover, to protect existing uses not only against reductions in quantity, but against increases in costs, Section 305 provides:

"SEC. 305. To the extent that the flow of the main stream of the Colorado River is augmented in order to make sufficient water available for release, as determined by the Secretary pursuant to article II(b)(1) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340), to satisfy annual consumptive use of two million eight hundred thousand acre-feet in Arizona, four million four hundred thousand acre-feet in California, and three hundred thousand acre-feet in Nevada, respectively, the Secretary shall make such water available to users of main stream water in those States at the same costs (to the extent that such costs can be made comparable through the nonreimbursable allocation to the replenishment of the deficiencies occasioned by satisfaction of the Mexican Treaty burden as herein provided and financial assistance from the development fund established by section 403 of this Act) and on the same terms as would be applicable if main stream water were available for release in the quantities required to supply such consumptive use."

2. INVESTIGATIONS

The bill launches a long-range investigation of water supply and requirements in the 11 western states. Section 201 provides:

"SEC. 201. Pursuant to the authority set out in the Reclamation Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto, and the provisions of the Water Resources Planning Act of July 22, 1965, 79 Stat. 244, as amended, with respect to the coordination of studies, investigations and assessments, the Secretary of the Interior shall conduct full and complete reconnaissance investigations for the purpose of developing a general plan to meet the future water needs of the Western United States. Such investigations shall include the long-range water supply available and the long-range water requirements in each water resource region of the Western United States. Progress reports in connection with these investigations shall be submitted to the President, the National Water Commission

(while it is in existence), the Water Resources Council, and to the Congress every two years. The first of such reports shall be submitted on or before June 30, 1971, and a final reconnaissance report shall be submitted not later than June 30, 1977: *Provided*, That for a period of ten years from the date of this Act, the Secretary shall not undertake reconnaissance studies of any plan for the importation of water into the Colorado River Basin from any other natural river drainage basin lying outside the States of Arizona, California, Colorado, New Mexico, and those portions of Nevada, Utah, and Wyoming which are in the natural drainage basin of the Colorado River."

3. PROTECTION OF AREAS OF ORIGIN

If water is imported into the Colorado River, it must come from an area which can yield it without occasioning any present or foreseeable hardship to that area and state of origin. To assure this, the bill provides:

"SEC. 203. (a) In the event that the Secretary shall, pursuant to section 201, plan works to import water into the Colorado River system from sources outside the natural drainage areas of the system, he shall make provision for adequate and equitable protection of the interests of the States and areas of origin, including assistance from funds specified in this Act, to the end that water supplies may be available for use in such States and areas of origin adequate to satisfy their ultimate requirements at prices to users not adversely affected by the exportation of water to the Colorado River system.

"(b) All requirements, present or future, for water within any State lying wholly or in part within the drainage area of any river basin from which water is exported by works planned pursuant to this Act shall have a priority of right in perpetuity to the use of the waters of that river basin, for all purposes, as against the uses of the water delivered by means of such exportation works, unless otherwise provided by interstate agreement."

4. DEVELOPMENT FUND

The bill creates a development fund to finance augmentation works. These provisions appear in Title IV. They are too long and complicated to reproduce here. But, in general, the development fund is to be fed by revenues from Hoover, Davis, and Parker Dams, and the Nevada-Arizona portion of the Pacific Northwest intertie, after those projects have paid for themselves, and by repayments by Central Arizona water users, as well as some miscellaneous revenues. The fund is dedicated to assistance to the Central Arizona Project, the Dixie Project in Utah, and, most important, to financing augmentation works. To this end, the Hoover, Davis and Parker revenues derived from payments by California and Nevada powers users are not to be applied to subsidize the Central Arizona Project, but to finance augmentation works.

5. MEXICAN TREATY WRITE-OFF

Twenty-three years ago the Senators from California and Nevada alone, among the delegations of the seven Colorado River Basin States, opposed the Mexican Water Treaty and warned of the catastrophic water shortages that would be occasioned in this desert portion of our country by the perpetual guaranty of the fixed quantity of 1.5 million acre-feet annually to Mexico, a first mortgage on a short supply.

Today, the Senate has before it a bill which says this:

"SEC. 202. The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of this Act and authorized by the Congress. Accordingly, the States of the Upper

Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which may have been imposed upon them by article III(c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican Water Treaty together with any losses of water associated with the performance of that treaty: *Provided*, That the satisfaction of the requirements of the Mexican Water Treaty (Treaty Series 994, 59 Stat. 1219), shall be from the waters of the Colorado River pursuant to the treaties, laws, and compacts presently relating thereto, until such time as a feasibility plan showing the most economical means of augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet shall be authorized by the Congress and is in operation as provided in this Act."

And the bill directs that the cost of importing water to satisfy the treaty burden shall be nonreimbursable. This is what it provides:

"SEC. 401. Upon completion of each lower basin unit of the project herein or hereafter authorized, or separate feature thereof, the Secretary shall allocate the total costs of constructing said unit or features to (1) commercial power, (2) irrigation, (3) municipal and industrial water supply, (4) flood control, (5) navigation, (6) water quality control, (7) recreation, (8) fish and wildlife, (9) the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by performance of the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), and (10) any other purposes authorized under the Federal reclamation laws. Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be nonreimbursable: *Provided*, That the nonreimbursable allocation shall be made on a pro rata basis to be determined by the ratio between the amount of water required to comply with the Mexican Water Treaty and the total amount of water by which the Colorado River is augmented pursuant to the investigations authorized by title II of this Act and any future Congressional authorization."

6. SETTLEMENT OF CONTROVERSIES WITH THE UPPER BASIN

The bill, beside authorizing five projects in Colorado and giving financial assistance to the Dixie Project in Utah, provides in Section 502 for reimbursement of the Upper Colorado River Basin Fund for outlays made necessary for the purchase of power to perform the Government's Hoover Dam contracts during the time that water is withheld from Lake Mead to fill Lake Powell. It also contains, in Section 602, an agreed formula to coordinate the operations of Lake Powell and Lake Mead, so that, speaking in very general terms, the levels rise and fall together.

7. CONSENT TO SUIT

Finally, Section 601(c) directs the Secretary to conform to the "law of the river," including this new act, and authorizes the States to sue in the Supreme Court if he does not. This is the language:

"(c) All Federal officers and agencies are directed to comply with the applicable provisions of this Act, and of the laws, treaty, compacts, and decree referred to in subsec-

tion (a) of this section, in the storage and release of water from all reservoirs and in the operation and maintenance of all facilities in the Colorado River system under the jurisdiction and supervision of the Secretary, and in the operation and maintenance of all works which may be authorized hereafter for the augmentation of the water supply of the Colorado River system. In the event of failure of any such officer or agency to so comply, any affected State may maintain an action to enforce the provisions of this section in the Supreme Court of the United States and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise."

CONCLUSION

This is an occasion of which all seven States of the Colorado River Basin can be proud. It is a statesmanlike compromise. The Central Arizona Project is authorized. But Congress keeps the bargain that it required of California in the Boulder Canyon Project Act, exactly 40 years ago. This required California to limit herself to 4.4 million acre-feet of the first 7.5 million available, and required California to take her chances on the climate, with respect to uses in excess of 4.4 million. We could have half of any excess or surplus above 7.5 million. Forty years of drought have shown that there is no much excess or surplus, except during the temporary period before the Upper Basin puts its apportioned share to use. But the great, the important thing, is that Congress now recognizes in this bill that the \$600,000,000 of investments which California citizens have made to put that basic 4.4 million acre-feet to use are to be respected and given priority protection. This was the issue that the Supreme Court refused to decide. California's three projects—the Metropolitan Water District's Colorado River Aqueduct, the Palo Verde project, and the All-American Canal—are safe to the full extent permitted by the 1928 agreement between California's legislature and the Congress, exacted of us by the Boulder Canyon Project Act.

The water supply from the Colorado River on which 12 million people of Southern California are dependent has been secured. This is a great day for California. It has been made possible by the resolute defense of our interests in the Supreme Court and in the Congress, by the bipartisan efforts of our water leaders, the unanimous support of the press in our State, and, above all, by the continuing efforts and unflinching resolution of our people.

Mr. KUCHEL. Mr. President, I take a moment simply to thank my friend and colleague from California [Mr. MURPHY] for the very generous words he has just used, which touched me, and to state that I am glad that he and I can look forward to a happier Arizona-California relationship and a happier southwest basin relationship as a result of the legislation we are about to pass.

Mr. HANSEN. Mr. President, before the Senate works its will on the Lower Colorado River project bill conference report, I wish to make a short restatement for the record of the position taken by the State of Wyoming on this legislation and on the legislative attempts which have preceded it.

For the benefit of Senators who may not be totally familiar with the geography of the West, let me explain that of the seven so-called Colorado River Basin States, Wyoming stands at the head of the creek. The Colorado River is born in the glaciers and snowfields of Wyoming's Wind River Mountains.

The water which originates in these mountains is the lifeblood of our State, and throughout the years Wyomingites have worked long and hard to define and formalize the rights of our State to a fair share of the Colorado River flows.

This process has taken many forms. First, we have physically appropriated the water by building dams and irrigation facilities. Ranchers and farmers have put the water on the land for the production of hay and crops. Industrial facilities have been built and this very day new facilities are being planned and built which depend entirely on this Colorado River water. Petroleum, uranium, coal, trona, bentonite, sulfur, taconite, and oil shale, all are being developed or will soon be developed and all depend on this Colorado River water. And finally, of course, the cities and towns of the entire southwestern part of our great State depend on Colorado River water for their daily life.

The second way in which Wyoming has laid claim to its share of the Colorado is by its participation in agreements and compacts between its sister States in the basin and the United States. Wyoming looks with considerable pride upon the large body of law which now constitutes the "law of the river." Wyoming citizens acted as true statesmen in the past. They played a major role in negotiating the Colorado River Compact of 1922 and the Upper Colorado River Basin compact of 1948. It was always been our view that these two compacts and the Water Treaty of 1944 with the United Mexican States represent the supreme law of the Colorado River.

As I stated in my individual views contained in the Senate report on S. 1004 (Rept. No. 408, 80th Cong., first sess., p. 160):

All Colorado River legislation considered by the Congress must recognize the supremacy of these agreements. Congress should pass no laws which would be inconsistent in word or in fact with the terms of these agreements.

On May 15 of this year the distinguished chairman of the House Interior Committee, the Honorable WAYNE ASPINALL, gave very emphatic assurance that the legislation before us today was not "intended to directly or indirectly change the apportionment of water to the State of Wyoming in any way from that which has been set out by these instruments." See the CONGRESSIONAL RECORD, May 15, 1968, at H3821. This is an extremely important part of the legislative history surrounding this complex subject.

If I may be permitted a personal aside, I cannot help but remark that I am deeply grateful both as an individual and as an official of the State of Wyoming to the magnificent statesmanship, leadership, and understanding which Chairman ASPINALL has brought to this subject in the many years that it has been pending before the Congress. He has shown great concern and consideration for the State of Wyoming just as he has for all of the other Western States and this concern has been marked by honesty and patience.

After stating for the RECORD on May 15, 1968, the very important protection

which Wyoming will rely on in the future, Chairman ASPINALL addressed himself to Wyoming's particular situation with respect to this legislation. He said:

The only reason that the State of Wyoming does not have any projects in this legislation for authorization, admitting its entitlement has gone unused and will be unused for a few years to come, is the fact that they have no projects ready for the Subcommittee on Reclamation of the Committee on Interior and Insular Affairs to take notice of or to work upon at this time. . . . Yet I do not believe that there will be any Congress of the United States in the future that will deny the burdens or the responsibilities, as well as the benefits of the Colorado River Compact. To me this is a binding agreement, binding as it can possibly be, and as far as that is concerned I believe the Congress of the United States will always be considerate as soon as the projects for the Upper Basin can be properly placed before the Congress, so that the Upper Basin will get to use its water.

Chairman ASPINALL has stated better than I ever could the real "gut" issue which confronts Wyoming and other States involved in the legislation before us today.

The bill which Chairman ASPINALL successfully guided through the House of Representatives this year, H.R. 3300, was much more acceptable to the State of Wyoming than was the bill which passed the Senate, S. 1004, last year. Further, the House passed bill H.R. 3300, was preferable to the conference report which we now have pending before us. The recognition by the Congress that the Mexican treaty burden is a national obligation was contained in the House-passed bill and has been retained in this conference report. That is a proper recognition and one which all of the States of the Colorado River Basin should be thankful for. On the other hand, the 10-year moratorium on water importation studies is an extremely regrettable feature, particularly after such an exhaustive record has been compiled which indicates the great need for augmentation in the Colorado River Basin in the immediate future. Problems will not disappear even though some are persuaded to put their heads in the sand, ostrich-like, for 10 years. Those problems are with us now and they will be with us 10 years from now and it seems absurd to me that we do not get on with the business of studying for proper solutions to them.

This brings me to discuss very briefly the future. Wyoming is stepping up the pace in its effort to utilize fully and beneficially the water assets which it is entitled to in the Colorado River Basin. The last State legislature approved and appropriated money for a comprehensive State water plan which is about midway toward completion at the present time. We are proceeding with private projects on the Green River and will continue to develop larger projects as financing becomes available. We are moving plans for Federal projects along as rapidly as budget limitations and the bureaucratic machinery allows. Studies have been begun by the Bureau of Reclamation on the Upper Green River and Sublette project, and I am hopeful that the Bureau will continue to work at

the greatest possible speed on that study project.

Looking a bit further down the road, I would hope that with a new administration in Washington next year, legislation could be proposed and enacted which would bring certain basic reforms to the reclamation program. I speak specifically of the concept of federally guaranteed financing for projects which would be built on a State or local level instead of through the costly and politically entangled process of federally authorized construction. This approach would offer a new lease on life to States such as Wyoming and I personally pledge that I will be working to bring about such reform.

This, then, outlines where I think Wyoming is at the present time with respect to the legislation before the Senate and where I think we must go in the future. I will vote against the conference report because of the particularly obnoxious provisions which it contains and which I have already discussed.

I yield the floor.

MR. MONTROYA. Mr. President, the Senate today has the opportunity to make history by giving its approval to the conference report on the central Arizona project. I rise in support of this report although I recognize that it is not a perfect measure—that there are areas that we must continue to improve upon. Nonetheless, it is a giant step forward in helping to meet the greatest crisis faced by the Southwest: the shortage of water.

Since 1948 Congress has been considering proposals to divert Colorado River waters to areas in the Southwest to prevent them from becoming desertland. Many problems have been encountered in previous proposals, just as there were problems encountered in the measure which we have before us. We have resolved many of our differences, however, for the benefit of all. The problem areas that remain hopefully can still be worked out as quickly as possible. The important thing is that we have taken a giant step, an important step, a positive step forward in meeting our water problems.

This measure combined with other actions which Congress has taken—including a measure to create a National Water Commission to review our national water resource problems—will give new hope to the vast water-short regions of our Nation.

Briefly, Mr. President, years of work in the Western States have now culminated in an agreement on the future development of water resources in the lower Colorado basin. This has been one of the most controversial river basin questions before the Congress in many years. The long fight has been waged on a number of principal issues, including:

The disparity between legal allocations of Colorado water among the States and the actual river flow;

The problem of meeting the water requirements set out in the Mexico Treaty, which provides that 1.5 million acre-feet of Colorado water is to be delivered to Mexico each year;

The best means of augmenting low river flows to meet present and future uses; and,

The contention of some that further construction of dams on the lower stretch of the river would destroy the natural beauty and amenity of the Grand Canyon.

Out of the long dialogue has evolved a positive, far-reaching proposal. This legislation acknowledges the time honored doctrine of water law, "first in time, first in right." California has long contended that all existing water uses by the States involved must be protected and given priority over the uses created by any new projects in the event of water shortage. The bill protects California's allocation of 4.4 million acre-feet, Arizona's 2.8 million acre-feet, and Nevada's .3 million acre-feet. These allocations were legally derived from a Supreme Court ruling, handed down in 1963.

Second, this measure authorizes the construction, operation and maintenance of the central Arizona project, including Hooker Dam in New Mexico—or a suitable alternative—and other dams, reservoirs, canals, pumping plants, hydroelectric powerplants, and electrical transmission facilities to furnish water to water-deficient areas of Arizona and western New Mexico.

The Hooker Dam site in New Mexico had been proposed by the Department of the Interior as an important adjunct of the central Arizona project. However, because of opposition from some, the language "a Hooker Dam or suitable alternative" was proposed to enable the Interior Secretary to make another study of the situation to see if there is, in fact, a better site that would be more suitable than the Hooker Dam site. The study is to determine the best suitable site for the dam that would provide New Mexico with water and also preserve the integrity of the wilderness area.

Regardless of what site is chosen for storage of water in New Mexico, New Mexico stands to benefit by this legislation before us to the amount of an additional 18,000 acre-feet of water annually.

This bill before us also declares that future satisfaction of the Mexico Water Treaty requirements is a national obligation. Under present conditions, the several States of the Basin must supply the assured flow to Mexico out of their own allocations in times of low flow. This requirement is to be waived as soon as water augmentation can be satisfied. The bill provides for exhaustive studies of methods by which new water may be brought into the Colorado River. However, to overcome the objections of the Columbia River States who feared that these studies might establish the feasibility of interbasin water transfers from the Columbia to the Colorado River—the bill provides for a 10-year moratorium before such transbasin diversion works can be studied.

Instead of an earlier provision that two Federal hydroelectric dams be built at locations near the Grand Canyon National Park, the present bill includes a provision for purchasing electric power from a coal-fueled generating plant

whose construction has been planned by a combine of private utilities and public power agencies.

The bill provides for a separate lower development fund and authorizes approximately \$832 million for the construction of the central Arizona project and an additional \$100 million for the construction of distribution and drainage facilities.

Into the lower Colorado development fund will be paid all appropriations for the central Arizona project; all revenues from the Boulder Canyon and Parker-Davis projects after they are paid for; and all revenues from the Arizona-Nevada portion of the Pacific Northwest-Pacific Southwest power intertie, after other repayment obligations have been met.

Another praiseworthy feature is the direction to the Secretary of the Interior to continue inventory the Colorado Basin's water resources and to study the long range needs of all Basin States, with a view toward recommending the most feasible plans for meeting the projected needs. Here, too, New Mexico stands to benefit by the acquisition of additional waters in the future.

In short, Mr. President, this measure, while perhaps not perfect in every respect, is a commendable effort and should be adopted by this body.

Mr. JACKSON. Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to.

HOSTILE-FIRE PAY FOR CREW OF THE "PUEBLO"

Mr. MANSFIELD. Mr. President, on yesterday, September 11, the Senate passed H.R. 17780, which would authorize hostile-fire pay for the crew of the *Pueblo*. Senator DOMINICK, who is in his State and temporarily away from the Senate, is very interested in this legislation, and cosponsored a similar Senate bill. He had asked earlier in the week that I insert, on his behalf, his statement and through an inadvertence the statement did not appear in the Record.

I have Senator DOMINICK's statement in support of this bill and request unanimous consent to insert it in the Record at this point and, in addition, Mr. President, that this statement appear in the permanent CONGRESSIONAL RECORD of September 11, 1968, immediately following the discussion of this legislation on page S10505.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement by Senator DOMINICK was ordered to be printed in the RECORD, as follows:

Mr. DOMINICK. Mr. President, although we have heard many rumors that our *Pueblo* crew is to be released in the near future, we have not seen any firm indications which might give us cause for optimism. Already our men have been in North Korean captivity for almost eight months, constantly in extreme danger from the cruel treatment so often afforded by the communists to their prisoners. The families of our *Pueblo* crew have suffered terrible strain, not knowing

what fate will finally come to their loved ones.

The legislation we approve in no way alleviates the strain and worry facing our men and their families. It simply recognizes that the services rendered by the *Pueblo* crew was just as hazardous as service in Vietnam for purposes of receiving hostile fire pay. By extending this special pay to our *Pueblo* crew we stress to the world the fact that our men are in danger, every hour of every day. We can do no less, and I am pleased to have the support of my colleagues in the approval of this House bill identical to my bill, S. 3750.

THE INTERNATIONAL ANTIDUMPING CODE

Mr. TYDINGS. Mr. President, I feel obliged to make clear the serious doubts I have about the wisdom of the amendment which was adopted last Monday concerning the International Antidumping Code.

In purely procedural terms, I am concerned about the manner in which the amendment was brought to and considered on the floor of the Senate. In the first place, a full year passed between the time the Antidumping Code was signed and the time it entered into force—July 1, 1968. Yet, the Committee on Finance saw fit to hold its hearing only a few days before July 1. Is this the proper way to deal with international agreements to which the United States is a party?

In the second place, I have the impression that the amendment was adopted last Monday in a rather hasty fashion, with no time afforded for any debate with respect to the consequences of its enactment. It is, after all, a fairly serious matter for the United States to withdraw from an agreement after it has taken effect. Yet Monday's proceeding, with only a handful of Senators in the Chamber, would suggest a rather cavalier approach to international agreements.

On substantive grounds, I find the amendment objectionable in several respects.

First, the amendment will in all likelihood lead the other signatories to give up the code. There is no possibility of our benefiting from the code while not applying it ourselves.

Second, the amendment will deprive U.S. exporters of decided advantages. The code will insure—for the first time—Canada's use of an injury standard. The code will also avoid arbitrary antidumping actions taken without giving notice to the exporter or affording him an opportunity to defend himself.

Third, the amendment will force the United States to violate its international obligations. This is bound to weaken confidence in our word and in our foreign trade policy—at a time when we badly need to improve our trade balance.

Fourth, if an action is taken by the Treasury Department or the Tariff Commission which is felt to be inconsistent with the Antidumping Act, recourse may be had to the Customs Court. The judicial—and not the legislative—form would seem to be the more appropriate and effective in such a case.

Fifth, the amendment goes beyond repudiating the antidumping code. It freezes the administration of the Antidumping Act, making new regulations of

the Treasury Department or the Tariff Commission impossible without a new act of Congress. It also overturns two practices of the Treasury Department which are consistent with the basic premise of the Antidumping Act—once there is no chance of dumped imports injuring a domestic industry, a dumping case may properly be closed out.

My basic objection to the amendment, however, is that it is completely premature. It assumes and decides—before a single dumping case has been decided in light of the provisions of the antidumping code—that the code is inconsistent with the Antidumping Act. Whatever abstract arguments may be made on either side of this issue, it would seem to me to be only prudent and reasonable to await some decisions of the Treasury Department and the Tariff Commission in specific cases.

Surely, we would run no great risk in doing so, especially since, as I understand it, any action allegedly inconsistent with the Antidumping Act may be tested in the Customs Court. On the other hand, to prejudge the issue of consistency now is virtually certain to bring about the collapse of the antidumping code and the loss of its benefits to U.S. industries.

In short, I very much hope that, when the bill emerges from conference, it will not force the United States to repudiate the antidumping code. Instead, it should allow time in which the relationship of the code to the Antidumping Act can be objectively reviewed in terms of specific decisions dealing with concrete cases.

VINDICTIVENESS OF INTERNAL REVENUE SERVICE

Mr. LONG of Missouri. Mr. President, I ask unanimous consent to have printed at this point in the RECORD correspondence from and concerning Mr. Donald H. Ganser, Director, program field service division, Department of Housing and Urban Development, region IV, Chicago, Ill.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT,
Chicago, Ill., January 31, 1968.

Subject: Internal Revenue Service
SENATE JUDICIARY SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE,
New Senate Office Building,
Washington, D.C.

GENTLEMEN: At present I am employed as Director of the Program Field Service Division, Metropolitan Development Office, Department of Housing and Urban Development, Region IV, Chicago, Illinois. I am in my sixth year with the Department and its predecessor the Housing and Home Finance Agency.

Prior to my employment with the Federal Government I was connected with a construction firm in Milwaukee, Wisconsin which went defunct six years ago. Being an officer of the firm I was held responsible (contingent liability on performance and payment bonds) for thousands of dollars of debts incurred by the company.

An insurance company who had issued the performance and payment bonds on the construction projects and who was the major creditor advised me to file bankruptcy. They

pointed out that their judgment against me was good for twenty years and that should I accumulate or inherit any funds during that period they could attach it.

Before filing bankruptcy, however, the creditors of the defunct firm had cleaned me out—my home, life insurance, savings, etc. Such are the hazards of the business world. In addition, even though I was duly adjudged a bankrupt, approximately \$5000 in accounts payable was not discharged in the bankruptcy. These were personal debts which I felt morally responsible to pay. These accounts together with the attorney's fee for filing the bankruptcy I have been diligently trying to pay.

As a result of the personal loss suffered by reason of being an officer of the defunct corporation, I listed a loss of \$9500 on my 1964 income tax return. It was subsequently audited and the Internal Revenue Service claimed that I could not take this entire loss in one year, but could only take a loss not to exceed \$1000 in any one year with balance of the loss carried forward to future years. At the time I disputed their ruling but not having any resources to engage an attorney or tax consultant demand was made upon me to pay an additional tax in the amount of \$1658 which with interest added amounted to approximately \$2000 as of November, 1967. Not having the funds to pay this tax I was subsequently requested to report to the Internal Revenue Office at 5817 West Madison Street, Chicago, Illinois, at which time I was requested to file a Statement of Financial Condition, Form 433-AB, which I did on August 30, 1967, copy of which is enclosed. Subsequent to this I was called into their office and interrogated by Messrs. Keckeisen and George Suzuki. I wish to state here and now that they were threatening, arrogant, insulting and obnoxious in their treatment of me. If I had not gone through this experience myself, I would never have believed that employees of the Federal Government would be allowed to treat fellow Federal Government employees in this manner, much less citizens of this country.

The result of this conference was that I was to pay them \$200 per month and they requested that I sign a "Payment Agreement", Form 433-D, copy enclosed. I showed them a list of my monthly expenses and income which proved beyond a doubt that I could not pay more than \$50 per month towards this reassessment of taxes due. They were unable to find 5¢ that I could eliminate from my monthly expenses, but nevertheless insisted that I was to pay the sum of \$200 per month. They further informed me that if I did not they would levy against my salary and my wife's, which they did. The "Payment Agreement" that they tried to coerce me into signing has the statement "I, therefore, request the privilege of paying such taxes as follows:". This was not my request but the demand of the Internal Revenue Service.

At no time did I dispute the tax due. In fact, I wish I could pay it off at once to get them off my back. I offered to pay \$50 per month until June of 1968 when the expense of two sons in college would cease for a couple of months and I could pay more on the account. In addition this would have given me additional time to clean up some previous incurred obligations.

Based on the audit of my 1964 tax return and the subsequent decision by Internal Service that \$1000 was the maximum allowable loss in any one year, I filed an amendment of my 1965 income tax return claiming the \$1000 annual loss that Internal Revenue Service had approved. This amendment results in a credit of \$250.94 against my tax deficiency. Acknowledgment of this claim was made by Internal Revenue on July 21, 1967, copy enclosed.

To date, after two additional letters, I have not received this refund nor will the

Chicago office of Internal Revenue admit receiving the refund, nor will they credit my account with this sum due me. In the meantime, Internal Revenue Services continues to harass me.

Also enclosed is a letter from me to my superior, Mr. Francis D. Fisher, Regional Administrator of the Department of Housing and Urban Development, explaining to him the circumstances after Internal Revenue had levied against my salary. Upon receipt of my letter, Mr. Fisher wrote to Mr. E. C. Coyle, Jr., District Director of the Internal Revenue Service, and received an innocuous reply, copy of which is enclosed.

As a result of this letter I again went to see Internal Revenue, especially the Area Manager, Charles A. Parks. At this meeting they agreed that I could pay \$100 per month for November and December. Mind you, this was after taking my payroll check of \$460 in October. This results in their receiving \$660 for three months or \$60 over their original demand of \$200 per month. I was forced, as a result of this, to borrow \$400 from my fellow employees which I know is not good practice but I had no other choice. Because of my recent bankruptcy I was not able to borrow any money from banks or credit companies.

I was requested to report to the Internal Revenue Service again in January at which time they stated they would again analyze my expenditures and determine what monthly payment I should make. I again met with the following: Mr. John Keckeisen, Revenue Officer; Mr. George Suzuki, Revenue Officer; Mr. Charles A. Parks, Area Manager; and the Deputy Area Manager whose name I do not recall at this moment.

Once again I was bullied, insulted, degraded and generally treated like a communist spy and criminal. Upon review of my case they again demanded that I sign a "Payment Agreement" stating that I request the privilege of paying \$300 per month. Due to a pay increase I was willing to pay them the entire amount of the increase which amounted to \$72 per month, plus the original \$50 per month. I also felt I could afford an additional \$78 for a total of \$200 per month. This was their original demand and in December I was informed that this would be the most they would demand in January, 1968.

Was I ever in for a surprise. Without any consideration whatsoever to my obligations for shelter, food, clothing, education expenses, etc., they demanded that I pay \$300 in January and the subsequent months until their claim was paid. When I stated that I simply could not pay \$300 per month, they stated that this was my problem and if not paid they would levy against my salary and my wife's.

I again borrowed \$150 and together with \$150 I saved (thanks to three pay periods in December) paid them \$300 in January. I simply cannot go on paying \$300 per month to the Internal Revenue Service. When I inquired as to when I would receive credit of \$250 for my amended 1965 return, they stated that they have nothing to do with this matter, that it is another office involved and when I asked them to intercede they refused and stated it was up to me to see to it that I get the refund.

I am at a loss to understand how a branch of the Federal Government is allowed to harass me for money due them and is unwilling to pay or credit monies due me.

I urgently request that you use your good offices to obtain some time for me in which to pay the Internal Revenue Service. In addition, I hope that you will put a stop to the harassment and abuses inflicted on me and no doubt other citizens by the Internal Revenue Service.

This is an election year, as you well know, and unless I see some action on your part in my behalf and on the behalf of other citizens



Public Law 90-537
90th Congress, S. 1004
September 30, 1968

An Act

To authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—COLORADO RIVER BASIN PROJECT: OBJECTIVES

Colorado River
Basin Project
Act.

SEC. 101. That this Act may be cited as the “Colorado River Basin Project Act”.

82 STAT. 885

SEC. 102. (a) It is the object of this Act to provide a program for the further comprehensive development of the water resources of the Colorado River Basin and for the provision of additional and adequate water supplies for use in the upper as well as in the lower Colorado River Basin. This program is declared to be for the purposes, among others, of regulating the flow of the Colorado River; controlling floods; improving navigation; providing for the storage and delivery of the waters of the Colorado River for reclamation of lands, including supplemental water supplies, and for municipal, industrial, and other beneficial purposes; improving water quality; providing for basic public outdoor recreation facilities; improving conditions for fish and wildlife, and the generation and sale of electrical power as an incident of the foregoing purposes.

82 STAT. 886

(b) It is the policy of the Congress that the Secretary of the Interior (hereinafter referred to as the “Secretary”) shall continue to develop, after consultation with affected States and appropriate Federal agencies, a regional water plan, consistent with the provisions of this Act and with future authorizations, to serve as the framework under which projects in the Colorado River Basin may be coordinated and constructed with proper timing to the end that an adequate supply of water may be made available for such projects, whether heretofore, herein, or hereafter authorized.

TITLE II—INVESTIGATIONS AND PLANNING

SEC. 201. Pursuant to the authority set out in the Reclamation Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto, and the provisions of the Water Resources Planning Act of July 22, 1965, 79 Stat. 244, as amended, with respect to the coordination of studies, investigations and assessments, the Secretary of the Interior shall conduct full and complete reconnaissance investigations for the purpose of developing a general plan to meet the future water needs of the Western United States. Such investigations shall include the long-range water supply available and the long-range water requirements in each water resource region of the Western United States. Progress reports in connection with these investigations shall be submitted to the President, the National Water Commission (while it is in existence), the Water Resources Council, and to the Congress every two years. The first of such reports shall be submitted on or before June 30, 1971, and a final reconnaissance report shall be submitted not later than June 30, 1977: *Provided*, That for a period of ten years from the date of this Act, the Secretary shall not undertake reconnaissance studies of any plan for the importation of water into the Colorado River Basin from any other natural river drainage basin lying outside the States of Arizona, California, Colo-

43 USC 371.
42 USC 1962
note.

Reports.

82 STAT. 886

82 STAT. 887

63 Stat. 31.

rado, New Mexico, and those portions of Nevada, Utah, and Wyoming which are in the natural drainage basin of the Colorado River.

SEC. 202. The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of this Act and authorized by the Congress. Accordingly, the States of the Upper Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which may have been imposed upon them by article III(c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican Water Treaty together with any losses of water associated with the performance of that treaty: *Provided*, That the satisfaction of the requirements of the Mexican Water Treaty (Treaty Series 994, 59 Stat. 1219), shall be from the waters of the Colorado River pursuant to the treaties, laws, and compacts presently relating thereto, until such time as a feasibility plan showing the most economical means of augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet shall be authorized by the Congress and is in operation as provided in this Act.

SEC. 203. (a) In the event that the Secretary shall, pursuant to section 201, plan works to import water into the Colorado River system from sources outside the natural drainage areas of the system, he shall make provision for adequate and equitable protection of the interests of the States and areas of origin, including assistance from funds specified in this Act, to the end that water supplies may be available for use in such States and areas of origin adequate to satisfy their ultimate requirements at prices to users not adversely affected by the exportation of water to the Colorado River system.

(b) All requirements, present or future, for water within any State lying wholly or in part within the drainage area of any river basin from which water is exported by works planned pursuant to this Act shall have a priority of right in perpetuity to the use of the waters of that river basin, for all purposes, as against the uses of the water delivered by means of such exportation works, unless otherwise provided by interstate agreement.

SEC. 204. There are hereby authorized to be appropriated such sums as are required to carry out the purposes of this title.

TITLE III—AUTHORIZED UNITS: PROTECTION OF EXISTING USES

SEC. 301. (a) For the purposes of furnishing irrigation water and municipal water supplies to the water-deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary shall construct, operate, and maintain the Central Arizona Project, consisting of the following principal works: (1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system may have a capacity of 3,000 cubic feet per second or whatever lesser capacity is found to be feasible: *Provided*, That any capacity in the Granite Reef aqueduct in excess of 2,500 cubic feet per second shall be utilized for the conveyance of Colorado River water only when Lake Powell is full or releases of water are made from Lake

Powell to prevent the reservoir from exceeding elevation 3,700 feet above mean sea level or when releases are made pursuant to the proviso in section 602(a)(3) of this Act: *Provided further*, That the costs of providing any capacity in excess of 2,500 cubic feet per second shall be repaid by those funds available to Arizona pursuant to the provision of subsection 403(f) of this Act, or by funds from sources other than the development fund; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so operated as not to prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59); (4) Hooker Dam and Reservoir or suitable alternative, which shall be constructed in such a manner as to give effect to the provisions of subsection (f) of section 304; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueducts; (8) related canals, regulating facilities, hydroelectric powerplants, and electrical transmission facilities required for the operation of said principal works; (9) related water distribution and drainage works; and (10) appurtenant works.

(b) Article II(B)(3) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient main stream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversions from the main stream for the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use by holders of present perfected rights, by other users in the State of California served under existing contracts with the United States by diversion works heretofore constructed, and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of mainstream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater than would have been imposed in the absence of this subsection 301(b). This subsection shall not affect the relative priorities, among themselves, of water users in Arizona, Nevada, and California which are senior to diversions for the Central Arizona Project, or amend any provisions of said decree.

(c) The limitation stated in subsection (b) of this section shall not apply so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada.

SEC. 302. (a) The Secretary shall designate the lands of the Salt River Pima-Maricopa Indian Community, Arizona, and the Fort McDowell-Apache Indian Community, Arizona, or interests therein, and any allotted lands or interests therein within said communities which he determines are necessary for use and occupancy by the United States for the construction, operation, and maintenance of Orme Dam and Reservoir, or alternative. The Secretary shall offer to pay the fair market value of the lands and interests designated, inclusive of improvements. In addition, the Secretary shall offer to pay toward the cost of relocating or replacing such improvements not to exceed \$500,000 in the aggregate, and the amount offered for the actual relocation or replacement of a residence shall not exceed the difference between the fair market value of the residence and \$8,000. Each community and

each affected allottee shall have six months in which to accept or reject the Secretary's offer. If the Secretary's offer is rejected, the United States may proceed to acquire the property interests involved through eminent domain proceedings in the United States District Court for the District of Arizona under 40 U.S.C., sections 257 and 258a. Upon acceptance in writing of the Secretary's offer, or upon the filing of a declaration of taking in eminent domain proceedings, title to the lands or interests involved, and the right to possession thereof, shall vest in the United States. Upon a determination by the Secretary that all or any part of such lands or interests are no longer necessary for the purpose for which acquired, title to such lands or interests shall be restored to the appropriate community upon repayment to the Federal Government of the amounts paid by it for such lands.

(b) Title to any land or easement acquired pursuant to this section shall be subject to the right of the former owner to use or lease the land for purposes not inconsistent with the construction, operation, and maintenance of the project, as determined by, and under terms and conditions prescribed by, the Secretary. Such right shall include the right to extract and dispose of minerals. The determination of fair market value under subsection (a) shall reflect the right to extract and dispose of minerals and all other uses permitted by this section.

(c) In view of the fact that a substantial portion of the lands of the Fort McDowell Mohave-Apache Indian Community will be required for Orme Dam and Reservoir, or alternative, the Secretary shall, in addition to the compensation provided for in subsection (a) of this section, designate and add to the Fort McDowell Indian Reservation twenty-five hundred acres of suitable lands in the vicinity of the reservation that are under the jurisdiction of the Department of the Interior in township 4 north, range 7 east; township 5 north, range 7 east; and township 3 north, range 7 east, Gila and Salt River base meridian, Arizona. Title to lands so added to the reservation shall be held by the United States in trust for the Fort McDowell Mohave-Apache Indian Community.

(d) Each community shall have a right, in accordance with plans approved by the Secretary, to develop and operate recreational facilities along the part of the shoreline of the Orme Reservoir located on or adjacent to its reservation, including land added to the Fort McDowell Reservation as provided in subsection (b) of this section, subject to rules and regulations prescribed by the Secretary governing the recreation development of the reservoir. Recreation development of the entire reservoir and federally owned lands under the jurisdiction of the Secretary adjacent thereto shall be in accordance with master recreation plan approved by the Secretary. The members of each community shall have nonexclusive personal rights to hunt and fish on or in the reservoir without charge to the same extent they are now authorized to hunt and fish, but no community shall have the right to exclude others from the reservoir except by control of access through its reservation or any right to require payment by members of the public except for the use of community lands or facilities.

(e) All funds paid pursuant to this section, and any per capita distribution thereof, shall be exempt from all forms of State and Federal income taxes.

SEC. 303. (a) The Secretary is authorized and directed to continue to a conclusion appropriate engineering and economic studies and to recommend the most feasible plan for the construction and operation of hydroelectric generating and transmission facilities, the purchase of electrical energy, the purchase of entitlement to electrical plant capacity, or any combination thereof, including participation, operation, or construction by non-Federal entities, for the purpose of supplying the power requirements of the Central Arizona Project and

augmenting the Lower Colorado River Basin Development Fund: *Provided*, That nothing in this section or in this Act contained shall be construed to authorize the study or construction of any dams on the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam.

(b) If included as a part of the recommended plan, the Secretary may enter into agreements with non-Federal interests proposing to construct thermal generating powerplants whereby the United States shall acquire the right to such portions of their capacity, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the operation of the Central Arizona Project. When not required for the Central Arizona Project, the power and energy acquired by such agreements may be disposed of intermittently by the Secretary for other purposes at such prices as he may determine, including its marketing in conjunction with the sale of power and energy from Federal powerplants in the Colorado River system so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates. The agreements shall provide, among other things, that—

(1) the United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplants, and of any switchyards and transmission facilities serving the United States, as is represented by the ratios of the respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of preparation of designs and specifications, in such installments as will facilitate a timely construction schedule, but no funds other than for preconstruction activities shall be made available by the Secretary until he determines that adequate contractual arrangements have been entered into between all the affected parties covering land, water, fuel supplies, power (its availability and use), rights-of-way, transmission facilities and all other necessary matters for the thermal generating powerplants;

(2) annual operation and maintenance costs shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing clause (1): *Provided, however*, That the United States shall share on the foregoing basis in the depreciation component of such costs only to the extent of provision for depreciation on replacements financed by the non-Federal interests;

Operation and maintenance costs.

(3) the United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplants and appurtenances;

(4) costs to be borne by the United States under clauses (1) and (2) shall not include (a) interest and interest during construction, (b) financing charges, (c) franchise fees, and (d) such other costs as shall be specified in the agreement.

(c) No later than one year from the effective date of this Act, the Secretary shall submit his recommended plan to the Congress. Except as authorized by subsection (b) of this section, such plan shall not become effective until approved by the Congress.

Recommendations to Congress.

(d) If any thermal generating plant referred to in subsection (b) of this section is located in Arizona, and if it is served by water diverted from the drainage area of the Colorado River system above Lee Ferry,

Arizona, apportionment of diverted water.

Irrigation re-
striction.

Water supply,
repayment con-
tracts.

53 Stat. 1195.

Water conser-
vation.

other provisions of existing law to the contrary notwithstanding, such consumptive use of water shall be a part of the fifty thousand acre-foot per annum apportioned to the State of Arizona by article III(a) of the Upper Colorado River Basin Compact (63 Stat. 31).

SEC. 304. (a) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges, and, with the approval of the Secretary, State-administered wildlife management areas.

(b) (1) Irrigation and municipal and industrial water supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other arrangements whereby each such organization makes water from the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval, and the United States shall, if the Secretary determines such action is desirable to facilitate carrying out the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this clause (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

(2) Any obligation assumed pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9(e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(e)) may be on the basis of delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes.

(3) Contracts relating to municipal and industrial water supply under the Central Arizona Project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

(c) Each contract under which water is provided under the Central Arizona Project shall require that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings adequate in his judgment to prevent excessive conveyance losses; and (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the service area of a contractor receiving water from the Central Arizona Project for any use outside

said contractor's service area unless the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required. Such contracts shall be subordinate at all times to the satisfaction of all existing contracts between the Secretary and users in Arizona heretofore made pursuant to the Boulder Canyon Project Act (45 Stat. 1057).

(d) The Secretary may require in any contract under which water is provided from the Central Arizona Project that the contractor agree to accept main stream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (f) of this section: *Provided*, That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

(e) In times of shortage or reduction of main stream Colorado River water for the Central Arizona Project, as determined by the Secretary, users which have yielded water from other sources in exchange for main stream water supplied by that project shall have a first priority to receive main stream water, as against other users supplied by that project which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

(f) (1) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources in amounts that will permit consumptive use of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until, and shall continue only so long as, delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversion from the Gila River, its tributaries and underground water sources. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

(2) The Secretary shall further offer to contract with water users in New Mexico for water from the Gila River, its tributaries, and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of an additional thirty thousand acre-feet, including reservoir evaporation. Such further increases in consumptive use shall not begin until, and shall continue only so long as, works capable of augmenting the water supply of the Colorado River system have been completed and water sufficiently in excess of two million eight hundred thousand acre-feet per annum is available from the main stream of the Colorado River for consumptive use in Arizona to provide water for the exchanges herein authorized and provided. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

(3) All additional consumptive uses provided for in clauses (1) and (2) of this subsection shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59) and to all other rights existing on the effective

43 USC 617-

617t.

Water exchanges.

Water shortage
priorities.New Mexico
users, water
exchange con-
tracts.

82 STAT. 893

date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries, and underground water sources, and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

Newly irrigated
lands, restric-
tion.

(g) For a period of ten years from the date of enactment of this Act, no water from the projects authorized by this Act shall be delivered to any water user for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b) (10) of the Agricultural Adjustment Act of 1938 (52 Stat. 38), as amended (7 U.S.C. 1301), unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

63 Stat. 1051.
7 USC 1421
note.

62 Stat. 1251.

Main stream
water cost.

SEC. 305. To the extent that the flow of the main stream of the Colorado River is augmented in order to make sufficient water available for release, as determined by the Secretary pursuant to article II(b) (1) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340), to satisfy annual consumptive use of two million eight hundred thousand acre-feet in Arizona, four million four hundred thousand acre-feet in California, and three hundred thousand acre-feet in Nevada, respectively, the Secretary shall make such water available to users of main stream water in those States at the same costs (to the extent that such costs can be made comparable through the nonreimbursable allocation to the replenishment of the deficiencies occasioned by satisfaction of the Mexican Treaty burden as herein provided and financial assistance from the development fund established by section 403 of this Act) and on the same terms as would be applicable if main stream water were available for release in the quantities required to supply such consumptive use.

Water salvage
programs.

SEC. 306. The Secretary shall undertake programs for water salvage and ground water recovery along and adjacent to the main stream of the Colorado River. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary.

Dixie project,
integration.

SEC. 307. The Dixie Project, heretofore authorized in the State of Utah, is hereby reauthorized for construction at the site determined feasible by the Secretary, and the Secretary shall integrate such project into the repayment arrangement and participation in the Lower Colorado River Basin Development Fund established by title IV of this Act consistent with the provisions of the Act: *Provided*, That section 4 of Public Law 88-565 (78 Stat. 848) is hereby amended by deleting the figure "\$42,700,000" and inserting in lieu thereof the figure "\$58,000,000".

Fish and wild-
life conser-
vation and
development.

16 USC 4601-12
note.

Central Arizona
project, ap-
propriation.

SEC. 308. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the project works authorized pursuant to this title shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213), except as provided in section 302 of this Act.

SEC. 309. (a) There is hereby authorized to be appropriated for construction of the Central Arizona Project, including prepayment for power generation and transmission facilities but exclusive of distribution and drainage facilities for non-Indian lands, \$832,180,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved therein and, in addition thereto, such sums as may be required for operation and maintenance of the project.

(b) There is also authorized to be appropriated \$100,000,000 for construction of distribution and drainage facilities for non-Indian lands. Notwithstanding the provisions of section 403 of this Act, neither appropriations made pursuant to the authorization contained in this subsection (b) nor revenues collected in connection with the operation of such facilities shall be credited to the Lower Colorado River Basin Development Fund and payments shall not be made from that fund to the general fund of the Treasury to return any part of the costs of construction, operation, and maintenance of such facilities.

Non-Indian
lands facilities,
appropriation.

TITLE IV—LOWER COLORADO RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS: CONTRACTS

SEC. 401. Upon completion of each lower basin unit of the project herein or hereafter authorized, or separate feature thereof, the Secretary shall allocate the total costs of constructing said unit or features to (1) commercial power, (2) irrigation, (3) municipal and industrial water supply, (4) flood control, (5) navigation, (6) water quality control, (7) recreation, (8) fish and wildlife, (9) the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by performance of the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), and (10) any other purposes authorized under the Federal reclamation laws. Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be nonreimbursable: *Provided*, That the nonreimbursable allocation shall be made on a pro rata basis to be determined by the ratio between the amount of water required to comply with the Mexican Water Treaty and the total amount of water by which the Colorado River is augmented pursuant to the investigations authorized by title II of this Act and any future Congressional authorization. The repayment of costs allocated to recreation and fish and wildlife enhancement shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213): *Provided*, That all of the separable and joint costs allocated to recreation and fish and wildlife enhancement as a part of the Dixie project, Utah, shall be nonreimbursable. Costs allocated to nonreimbursable purposes shall be nonreturnable under the provisions of this Act.

16 USC 4601-12
note.

SEC. 402. The Secretary shall determine the repayment capability of Indian lands within, under, or served by any unit of the project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 564; 25 U.S.C. 386a), and such costs that are beyond repayment capability of such lands shall be nonreimbursable.

Indian lands,
repayment capa-
bility.

SEC. 403. (a) There is hereby established a separate fund in the Treasury of the United States to be known as the Lower Colorado River Basin Development Fund (hereafter called the "development fund"), which shall remain available until expended as hereafter provided.

Lower Colorado
River Basin De-
velopment Fund.
Establishment.

(b) All appropriations made for the purpose of carrying out the provisions of title III of this Act shall be credited to the development

Ante, p. 887.

fund as advances from the general fund of the Treasury, and shall be available for such purpose.

(c) There shall also be credited to the development fund—

(1) all revenues collected in connection with the operation of facilities authorized in title III in furtherance of the purposes of this Act (except entrance, admission, and other recreation fees or charges and proceeds received from recreation concessionaires), including revenues which, after completion of payout of the Central Arizona Project as required herein are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said project;

(2) any Federal revenues from the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of the said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of those projects: *Provided, however,* That the Secretary is authorized and directed to continue the in-lieu-of-tax payments to the States of Arizona and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon project; and

(3) any Federal revenues from that portion of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona which, after completion of repayment requirements of the said part of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said portion of the Pacific Northwest-Pacific Southwest intertie and related facilities.

(d) All moneys collected and credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section shall be available, without further appropriation, for—

(1) defraying the costs of operation, maintenance, and replacements of, and emergency expenditures for, all facilities of the projects, within such separate limitations as may be included in annual appropriation Acts; and

(2) payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 304(f) of this Act.

(e) Revenues credited to the development fund shall not be available for construction of the works comprised within any unit of the project herein or hereafter authorized except upon appropriation by the Congress.

(f) Moneys credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section in excess of the amount necessary to meet the requirements of clauses (1) and (2) of subsection (d) of this section shall be paid annually to the general fund of the Treasury to return—

(1) the costs of each unit of the projects or separable feature thereof authorized pursuant to title III of this Act which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act within a period not

Ante, p. 867.

54 Stat. 775.
43 USC 618a.

Development fund
revenue use.

exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law: *Provided*, That return of the cost, if any, required by section 307 shall not be made until after the payout period of the Central Arizona Project as authorized herein; and

(2) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance with the provisions of subsection (h) of this section, and interest due shall be a first charge.

(g) All revenues credited to the development fund in accordance with clause (c)(2) of this section (excluding only those revenues derived from the sale of power and energy for use in Arizona during the payout period of the Central Arizona Project as authorized herein) and such other revenues as remain in the development fund after making the payments required by subsections (d) and (f) of this section shall be available (1) to make payments, if any, as required by sections 307 and 502 of this Act, and (2) upon appropriation by the Congress, to assist in the repayment of reimbursable costs incurred in connection with units hereafter constructed to provide for the augmentation of the water supplies of the Colorado River for use below Lee Ferry as may be authorized as a result of the investigations and recommendations made pursuant to section 201 and subsection 203(a) of this Act.

(h) The interest rate applicable to those portions of the reimbursable costs of each unit of the project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such unit, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

Interest rate.

(i) Business-type budgets shall be submitted to the Congress annually for all operations financed by the development fund.

Annual budgets,
submittal to
Congress.
Report to
Congress.

SEC. 404. On January 1 of each year the Secretary shall report to the Congress, beginning with the fiscal year ending June 30, 1969, upon the status of the revenues from and the cost of constructing, operating, and maintaining each lower basin unit of the project for the preceding fiscal year. The report of the Secretary shall be prepared to reflect accurately the Federal investment allocated at that time to power, to irrigation, and to other purposes, the progress of return and repayment thereon, and the estimated rate of progress, year by year, in accomplishing full repayment.

TITLE V—UPPER COLORADO RIVER BASIN: AUTHORIZATIONS AND REIMBURSEMENTS

SEC. 501. (a) In order to provide for the construction, operation, and maintenance of the Animas-La Plata Federal reclamation project, Colorado-New Mexico; the Dolores, Dallas Creek, West Divide, and San Miguel Federal reclamation projects, Colorado; and the Central Utah project (Uintah unit), Utah, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), and to provide for the completion of planning reports on other participating projects, clause (2) of section 1 of said Act is hereby further amended by (i) inserting the words "and the Uintah unit" after the

Report to
Congress.

word "phase" within the parenthesis following "Central Utah", (ii) deleting the words "Pine River Extension" and inserting in lieu thereof the words "Animas-La Plata, Dolores, Dallas Creek, West Divide, San Miguel", (iii) adding after the words "Smith Fork:" the proviso "*Provided*, That construction of the Uintah unit of the Central Utah project shall not be undertaken by the Secretary until he has completed a feasibility report on such unit and submitted such report to the Congress along with his certification that, in his judgment, the benefits of such unit or segment will exceed the costs and that such unit is physically and financially feasible, and the Congress has authorized the appropriation of funds for the construction thereof:". Section 2 of said Act is hereby further amended by (i) deleting the words "Parshall, Troublesome, Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers Extension, Animas-La Plata", and inserting after the words "Yellow Jacket" the words "Basalt Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomichi Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units)"; (ii) by inserting after the word "Sublette" the words "(including a diversion of water from the Green River to the North Platte River Basin in Wyoming), Ute Indian unit of the Central Utah Project, San Juan County (Utah), Price River, Grand County (Utah), Gray Canyon, and Juniper (Utah)"; and (iii) changing the period after "projects" to a colon and adding the following proviso: "*Provided*, That the planning report for the Ute Indian unit of the Central Utah participating project shall be completed on or before December 31, 1974, to enable the United States of America to meet the commitments heretofore made to the Ute Indian Tribe of the Uintah and Ouray Indian Reservation under the agreement dated September 20, 1965 (Contract Numbered 14-06-W-194)". The amount which section 12 of said Act authorizes to be appropriated is hereby further increased by the sum of \$392,000,000, plus or minus such amounts, if any, as may be required, by reason of changes in construction costs as indicated by engineering cost indices applicable to the type of construction involved. This additional sum shall be available solely for the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel projects herein authorized.

(b) The Secretary is directed to proceed as nearly as practicable with the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel participating Federal reclamation projects concurrently with the construction of the Central Arizona Project, to the end that such projects shall be completed not later than the date of the first delivery of water from said Central Arizona Project: *Provided*, That an appropriate repayment contract for each of said participating projects shall have been executed as provided in section 4 of the Colorado River Storage Project Act (70 Stat. 107) before construction shall start on that particular project.

(c) The Animas-La Plata Federal reclamation project shall be constructed and operated in substantial accordance with the engineering plans set out in the report of the Secretary transmitted to the Congress on May 4, 1966, and printed as House Document 436, Eighty-ninth Congress: *Provided*, That construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

43 USC 620c.

Animas-La Plata
Federal reclamation project.
Consent of
Congress.

"ANIMAS-LA PLATA PROJECT COMPACT

"The State of Colorado and the State of New Mexico, in order to implement the operation of the Animas-La Plata Federal Reclamation Project, Colorado-New Mexico, a proposed participating project under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620) and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and have agreed upon the following articles:

"ARTICLE I

"A. The right to store and divert water in Colorado and New Mexico from the La Plata and Animas River systems, including return flow to the La Plata River from Animas River diversions, for uses in New Mexico under the Animas-La Plata Federal Reclamation Project shall be valid and of equal priority with those rights granted by decree of the Colorado state courts for the uses of water in Colorado for that project, providing such uses in New Mexico are within the allocation of water made to that state by articles III and XIV of the Upper Colorado River Basin Compact (63 Stat. 31).

"B. The restrictions of the last sentence of Section (a) of Article IX of the Upper Colorado River Basin Compact shall not be construed to vitiate paragraph A of this article.

"ARTICLE II

"This Compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States."

(d) The Secretary shall, for the Animas-La Plata, Dolores, Dallas Creek, San Miguel, West Divide, and Seedskaadee participating projects of the Colorado River storage project, establish the nonexcess irrigable acreage for which any single ownership may receive project water at one hundred and sixty acres of class 1 land or the equivalent thereof, as determined by the Secretary, in other land classes.

(e) In the diversion and storage of water for any project or any parts thereof constructed under the authority of this Act or the Colorado River Storage Project Act within and for the benefit of the State of Colorado only, the Secretary is directed to comply with the constitution and statutes of the State of Colorado relating to priority of appropriation; with State and Federal court decrees entered pursuant thereto; and with operating principles, if any, adopted by the Secretary and approved by the State of Colorado.

(f) The words "any western slope appropriations" contained in paragraph (i) of that section of Senate Document Numbered 80, Seventy-fifth Congress, first session, entitled "Manner of Operation of Project Facilities and Auxiliary Features", shall mean and refer to the appropriation heretofore made for the storage of water in Green Mountain Reservoir, a unit of the Colorado-Big Thompson Federal reclamation project, Colorado; and the Secretary is directed to act in accordance with such meaning and reference. It is the sense of Congress that this directive defines and observes the purpose of said paragraph (i), and does not in any way affect or alter any rights or obligations arising under said Senate Document Numbered 80 or under the laws of the State of Colorado.

SEC. 502. The Upper Colorado River Basin Fund established under section 5 of the Colorado River Storage Project Act (70 Stat. 107; 43 U.S.C. 620d) shall be reimbursed from the Colorado River Development Fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a) for the money expended heretofore or hereafter from the Upper Colorado River Basin

62 Stat. 284.
43 USC 618a.

Fund to meet deficiencies in generation at Hoover Dam during the filling period of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose, \$500,000 for each year of operation of Hoover Dam and powerplant, commencing with fiscal year 1970, shall be transferred from the Colorado River Development Fund to the Upper Colorado River Basin Fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin Fund from the Lower Colorado River Basin Development Fund, as provided in subsection (g) of section 403.

TITLE VI—GENERAL PROVISIONS: DEFINITIONS: CONDITIONS

43 USC 617t.

SEC. 601. (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994; 59 Stat. 1219), the decree entered by the Supreme Court of the United States in Arizona against California and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a) or the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620).

Reports to the
President, Con-
gress, etc.

(b) The Secretary is directed to—

(1) make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1970. Such reports shall include a detailed breakdown of the beneficial consumptive use of water on a State-by-State basis. Specific figures on quantities consumptively used from the major tributary streams flowing into the Colorado River shall also be included on a State-by-State basis. Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and to the Governors of each State signatory to the Colorado River Compact; and

(2) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River Compact.

Federal offi-
cers and agen-
cies, compliance.

(c) All Federal officers and agencies are directed to comply with the applicable provisions of this Act, and of the laws, treaty, compacts, and decree referred to in subsection (a) of this section, in the storage and release of water from all reservoirs and in the operation and maintenance of all facilities in the Colorado River system under the jurisdiction and supervision of the Secretary, and in the operation and maintenance of all works which may be authorized hereafter for the augmentation of the water supply of the Colorado River system. In the event of failure of any such officer or agency to so comply, any affected State may maintain an action to enforce the provisions of this section in the Supreme Court of the United States and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

SEC. 602. (a) In order to comply with and carry out the provisions of the Colorado River Compact, the Upper Colorado River Basin Compact, and the Mexican Water Treaty, the Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River Storage Project Act, the Boulder Canyon Project Act, and the Boulder Canyon Project Adjustment Act. To effect in part the purposes expressed in this paragraph, the criteria shall make provision for the storage of water in storage units of the Colorado River storage project and releases of water from Lake Powell in the following listed order of priority:

45 Stat. 1057.
63 Stat. 31.
59 Stat. 1219.

70 Stat. 105.
43 USC 620.
45 Stat. 1057.
54 Stat. 774.
43 USC 618a.

(1) releases to supply one-half the deficiency described in article III(c) of the Colorado River Compact, if any such deficiency exists and is chargeable to the States of the Upper Division, but in any event such releases, if any, shall not be required in any year that the Secretary makes the determination and issues the proclamation specified in section 202 of this Act;

(2) releases to comply with article III(d) of the Colorado River Compact, less such quantities of water delivered into the Colorado River below Lee Ferry to the credit of the States of the Upper Division from other sources; and

(3) storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three Lower Division States and taking into consideration all relevant factors (including, but not limited to, historic stream-flows, the most critical period of record, and probabilities of water supply), shall find this to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River Compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the Lower Division to the uses specified in article III(e) of the Colorado River Compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

(b) Not later than January 1, 1970, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the Governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than July 1, 1970, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1972, and yearly thereafter, the Secretary shall transmit to the Congress and to the Governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the Governors of the seven Colorado River Basin States and appropriate consultation with such State representatives as each Governor may designate.

(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

Criteria, submittal for review and comment.

Publication in Federal Register.

Report to Congress, etc.

SEC. 603. (a) Rights of the upper basin to the consumptive use of water available to that basin from the Colorado River system under the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin.

(b) Nothing in this Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission.

SEC. 604. Except as otherwise provided in this Act, in constructing, operating, and maintaining the units of the projects herein and hereafter authorized, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902; 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

SEC. 605. Part I of the Federal Power Act (41 Stat. 1063; 16 U.S.C. 791a-823) shall not be applicable to the reaches of the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam until and unless otherwise provided by Congress.

SEC. 606. As used in this Act, (a) all terms which are defined in the Colorado River Compact shall have the meanings therein defined;

(b) "Main stream" means the main stream of the Colorado River downstream from Lee Ferry within the United States, including the reservoirs thereon;

(c) "User" or "water user" in relation to main stream water in the lower basin means the United States or any person or legal entity entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), to use main stream water when available thereunder;

(d) "Active storage" means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works;

(e) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming;

(f) "Western United States" means those States lying wholly or in part west of the Continental Divide; and

(g) "Augment" or "augmentation", when used herein with reference to water, means to increase the supply of the Colorado River or its tributaries by the introduction of water into the Colorado River system, which is in addition to the natural supply of the system.

Approved September 30, 1968.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 1312 accompanying H. R. 3300 (Comm. on Interior & Insular Affairs) and No. 1861 (Comm. of Conference).

SENATE REPORT No. 408 (Comm. on Interior & Insular Affairs).

CONGRESSIONAL RECORD:

Vol. 113 (1967): Aug. 3, 4, 7, considered and passed Senate.

Vol. 114 (1968): May 15, 16, considered and passed House,
amended, in lieu of H. R. 3300.

Sept. 5, House agreed to conference report.

Sept. 12, Senate agreed to conference report.

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